

THE NATION'S BUSINESS

February
1924



25
Cents

Russia Ended Socialism for Me

By JACOB RUBIN, Former Member the Socialist Party Central Committee

The Price of Gasoline's Too Low and Why

By A. C. BEDFORD, Chairman of the Board, Standard Oil Company of New Jersey

What Cooperation Can and Cannot Do

By SYDNEY ANDERSON, Former Chairman, Joint Commission of Agricultural Inquiry

Industry is Giving Us a New South

By ASHMUN BROWN, Washington Correspondent the Providence Journal

Don't Worry About the Northwest

By G. R. MARTIN, Vice-President, Great Northern Railway Company



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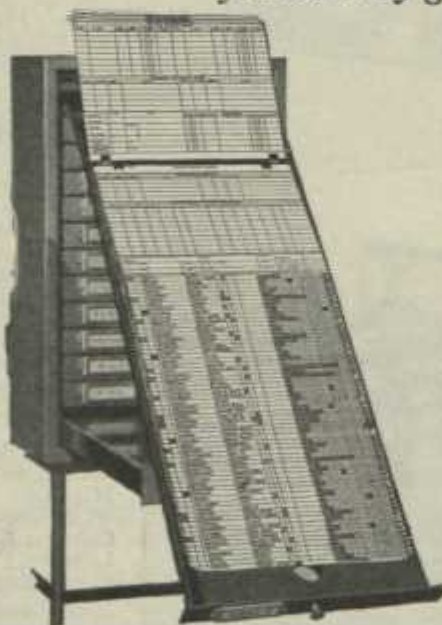
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Engineering Building Equipment





Reproduction from a painting in oil of Notre Dame of Maryland, by Frank Swift Chase.

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Twenty-two thousand people have been served by Davey Tree Surgeons—nearly four thousand of them in 1923. The business of the Davey Company amounted to nearly

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When writing to THE DAVEY TREE EXPERT COMPANY please mention the Nation's Business

Through the Editor's Spectacles

A BUSINESS man has no imagination, no romance in his soul, said a writing man to me the other day. "Plodding Babbitts," said he, "no real appreciation of literature, all bound up in disgusting monotony, money-changers going over and over again their barter, in deadly, dull routine. Why," he went on, "if it weren't for us writers with our stories and plays and novels your tired business man would die of the dry-rot!"

I realized that much of it was said for my benefit, but just the same a good many of our literary gentlemen have fallen into this pit. They undertake to manufacture romance for the t. b. m. when that same t. b. m. is living a far grander romance all his own.

Why, at this moment there's a friend of mine up in New Haven who is fighting to get a shipment of alarm clocks through the fastnesses of the Himalayas! Twenty years ago two men in Rochester set about to change our age-old ideas of the clothes we wear—and they did it and started thereby our important ready-made suit industry. Another man in Columbus, named Ohio Columbus Barber, told us to throw away the flint and fire-pot of our ancestors and he brought us fire on the tips of pine splinters—the largest unit production today of any article in the world. And the adventures of the two young men from Boston who contested South American jungles for banana plantations, laid narrow gauge railroads, built refrigerator ships, in order to bring us the cheapest fruit that we eat.

Romance? Why the business woods are full of it. If our literary friends would dig a bit they would find that Business is the True Romance. For in what other field is there greater manifestation of the unusual or the picturesque, that is characteristic of romance since Boccaccio and Cervantes wrote and Chaucer sang.

I'll go further. While imagination is the prime requisite of the literary man, that and something more is necessary to the successful business man. Consider him for a single paragraph. He sits at his desk and dreams. He sees raw materials gathered from the corners of the earth, transported by mule-back and steamer and rail and truck to his factory; he sees labor, skilled and unskilled, assemble; he hears the whirring wheels and whining dynamos; he sees the fabrication of the raw material into a finished product, the creation of demand for that product, the filling of the demand, the selling, the distribution. Above all he sees the financing of his dream. And because he has the courage of his imagination, lo, the thing is done!

HERE'S a fiction idea we'll pass along to Sam Adams, Bill Irwin, or any other bright young man attached to Mr. Curtis or Mr. Knapp. Construct a character after Monte Cristo or Fu Manchu, but without the revenge motif. His penchant is economics. Have him quietly acquire all the shoe-making machinery patents in the world. Then the shoe-making machinery itself, and dismantle it. Now depict the havoc that would ensue as the shoe industry slips back fifty years to other fields to make our 361,610,482 pairs of shoes yearly by hand—drafted from chemistry, electrical, automobile, the farm. How the price of shoes would soar. The battle of the

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THE NATION'S BUSINESS

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As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber. But in all other respects, the Chamber is not responsible for the contents of the article or for the opinion to which expression is given.



The Ivanhoe Trojan

Kuppenheimer, typical of Chicago's great clothing industry, uses IVANHOE Reflectors for factory lighting and Ivanhoe Trojans for office lighting.



The Ivanhoe RLM Dome Reflector

Speaking of Men's Clothing ~

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"Perhaps the best reason for our being pleased is that no complaints have been made by our employees. Lighting of tailoring establishments is a very difficult problem and complaints are common unless lighting conditions are ideal.

"While we have no figures on the effect of good lighting we are certain it decreases spoilage and increases production."—L. Schlesinger, Manufacturing Superintendent, B. Kuppenheimer & Co., Chicago.

Industrial plants everywhere—in all lines of manufacturing—are finding, in better lighting, the same profit and saving noted in the above letter. May we send you a copy of the booklet "How Good Lighting Cuts Factory Cost," telling what savings you may expect, and describing the IVANHOE line of industrial lighting equipment?

IVANHOE RLM reflectors (metal) and IVANHOE Trojan units (glass) are used by these prominent clothing manufacturers in their factories and their offices:

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Goodman & Sons, Beau Brummel Clothes
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A GENERAL ELECTRIC PRODUCT



substitutes. The growth of popular suspicion and of hatred of "big business," which the people would hold responsible in some way, until the very foundations of the state would tremble. Then our Monte Cristo, implored by governments and peoples, would give his patents and machines to society, satisfied that the lesson of machinery's aid to civilization had been driven home after decades of textbooks had failed.

When the fiction boys get this written we'll turn to any page of any book on economics and find our Monte Cristo another plot, which will be as dramatic and just as interpretative of modern business as "Our Dependence on Machines."

ASLIP of the blue pencil last month and we're still hearing from it. It takes an error to bring home to the editor how carefully his child is inspected each month. Our editorial Homer nodded and allowed the phrase "6 per cent railroad guarantee," to go by in Mr. O'Laughlin's article "Don't Let the Talk Worry You." It seems as if a dozen railroad presidents and vice presidents caught it (although it was not in a railroad article) and twice as many more general readers wrote us, more in sorrow than in anger.

President Byram of the Milwaukee, as well as Mr. Elisha Lee of the Pennsylvania, in calling our attention to the slip, quite correctly points out that rail executives for three years have had to combat this general misapprehension, and that the public ought to understand that no revision of the Transportation Act is necessary to remove a guarantee provision. In sackcloth and ashes we might add that the difference between Mr. O'Laughlin's unhappy phrase and the facts is just \$1,045,644,000, for it was by that amount that the Class I railroads failed to earn during three years the "fair return" set forth by the Interstate Commerce Commission.

OUT IN Detroit the other day I heard of an incident which illustrates the enterprise of the modern chamber of commerce. When it got out that there would probably be a change of venue for the Chicago Tribune-Ford trial, a chamber of commerce committee from a nearby city appeared and presented its claim for the trial. The committee set forth its transportation facilities, its hotel accommodations, its amusements, its wire service, etc., etc. And it got the trial and Mr. Clemens got its name before several million readers each day for several weeks. What chamber of commerce had a more novel activity during 1923?

WILLIAM BUTTERWORTH is head of a big plow works at Moline, Ill. He is interested in the men who make the plows and other implements that come out of the works. He believes the workers should have outdoor places for play and recreation. That belief he passes on to others. So it was that some time ago we asked him to write an article on the business value of community playgrounds. That subject is near to his heart, but there is place for other interests. He has long taken thought of THE NATION'S BUSINESS, and we count him a faithful friend and counselor. The article came to hand this week and with it a letter in which Mr. Butterworth wrote:

While I am much interested in the growth of the playground and recreation ideas, particularly among employees and business men of all kinds, I am likewise interested in the welfare and real development of THE NATION'S BUSINESS and cannot let one interfere with the other. Don't best-

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The Final Economy of the Face Brick House

THE final economy of the Face Brick house can be explained in a few words. It costs a little more to build, but it effects big savings every year of its long life. A significant fact for every home-builder! And responsible for the large increase in the number of Face Brick houses built in the last few years. Before you build, read "The Story of Brick." For your copy, address American Face Brick Association, 1730 Peoples Life Building, Chicago, Illinois.

Booklets you ought to have:

"*The Story of Brick*," a most artistic, illustrated book with indispensable information for anyone thinking of building. So interesting that it is used as a reader in a number of schools. Sent free. "Invaluable to home-builders. Information well worth \$5.00," says one of hundreds of enthusiastic readers.

"*Face Brick Bungalow and Small House Plans*" embrace 96 designs of Face Brick bungalows and small houses. They are issued in four booklets, 3 to 4-room houses, 5-room houses, 6-room houses, and 7 to 8-room houses. The entire set for one dollar; any one of the books, 25 cents. Please send stamps or money order. "I would not part with them

for a hundred times their cost. They are simply invaluable to me."

"*The Home of Beauty*" contains 50 designs of Face Brick houses, mostly two stories, selected from 350 designs submitted by architects in a nationwide competition. Sent for 50 cents. "The Home of Beauty" is far ahead of any book of house plans I have ever seen."

"*The Home Fires*" is a new book containing 20 attractive original fireplace designs, 25 pictures of fireplaces designed by well-known architects, and an article on proper fireplace construction. Sent for 25 cents. "We are truly delighted with this piece of literature."

tate to return the article to me if you feel for any reason it does not fit.

Those lines are a fresh testimonial to the thoughtful magnanimity of representative American business men. Things that touch their business interests touch them closely, but in that absorbing relation they do not forget the good of the whole order. And that is true sportsmanship and true Americanism.

AN ANONYMOUS correspondent sends us a post card from Wyoming about our attitude toward "Ex-Service Men." Says he:

We, composing of immediate families of ex-service men, about 16 million strong, do not approve of a magazine that puts a price on patriotic service. Your members made money while we spilt our blood. You object to our pay being adjusted.

The lack of signature and the illegibility of the postmark complicate a direct acknowledgment. We should like to call our correspondent's attention to a grievous error. Our young friend has been misinformed. This magazine does not "put a price" on patriotic service. That is just what it opposes. And that is the ground on which a large number of able-bodied veterans themselves are against a cash bonus; they, too, resent the idea of anyone's putting a price on their patriotic service.

GOVERNMENT is with us from the cradle to the grave. It keeps an eye on our beginnings and on our endings. "Wise paternalism," say the reverent. "Pap and piffle," say the profane. Now comes a bill before the Congress with thought of the nation's infancy. It would provide for taking the finger prints and the toe prints of every baby born in the United States and its possessions.

Class legislation and the babies not consulted! Nor the patriotic folk who keep a lap or two ahead of race suicide. But the statistical bounds must not be denied. Knowing who's who among the country's potential man-power is of vital concern to parents, and yet to them, vital statistics may be of less importance than victual statistics.

Too early to worry, however. Some far-sighted politician will marshal a baby bloc under the flaming banner "I am for babies!" and block the proposed legislation.

QUITE a remarkable story of Jacob Rubin we present in this number. There has been so much fog about Russia that it is refreshing to get a clear-cut view.

SPEAKING of Russia calls to mind Senator Brookhart's article in Chief Stone's magazine, the *Locomotive Engineer*, referred to by Mr. Morrow in his article in this number. The Senator found conditions in Russia even better than in Iowa. Mr. Samuel Gompers, writing in the *Federationist*, says that Senator Brookhart

found crops bountiful, agricultural schools quite crowded, everybody voting freely, trains running on time, homes becoming more pretentious, Mr. Trotsky just bubbling over with friendliness, all the peasants loving the United States and practically "unanimous in their support" of the soviet power. . . .

Mr. Gompers continues:

The *Locomotive Engineer* has printed quite a number of pieces expressing sympathy for the soviet outfit and perhaps some may wonder whether Mr. Stone's magazine has one eye on possible future banking business among the new autocrats of Russia.

The Senator says he saw Russia with the aid of translators furnished by the American Relief

Labor-saving equipment— America's Safeguard

THE fear that labor shortage will force a situation in which a part of our production facilities will be left idle need cause no anxiety to American Industries.

True, labor is scarce, due to the curtailment of immigration, but the emergency can be easily overcome by the transfer of non-productive labor into productive effort.

Jeffrey Labor-Saving Material Handling Equipment, by freeing men and muscle, can both offset the downward immigration curve and at the same time speed up production.

The transfer means a betterment of American Standards of living because productive work justifies higher wages than unproductive labor.

Jeffrey Manufacturing Company
Columbus, Ohio

(See reverse page)

JEFFREY

MATERIAL HANDLING EQUIPMENT

Jeffrey Equipment

safeguards Industry's production



One of the many Jeffrey Material Handling Equipments. Here a Jeffrey Wood Apron Conveyor is lowering the cost of a city's water supply by handling the purifying Lime at least cost.

INDUSTRIAL America is safeguarded. Production will be maintained if the right methods are used.

In the largest industries of the country, Jeffrey Conveyors and other Material Handling Equipment are tirelessly performing tasks similar to that shown on this page—aiding labor and saving labor.

For fifty years, Jeffrey has been building Material Handling Equipments to meet such an emergency. Now the Jeffrey organization, its engineers, its equipment, and its two generations of experience are at the disposal of Industry to meet Industry's present need.

The Jeffrey Manufacturing Company
Columbus, Ohio

(See reverse page)

JEFFREY

MATERIAL HANDLING EQUIPMENT

Administration, yet if there is any group that does not agree with what the Senator says he saw it is the returning members of the American Relief Administration, who disagree in almost every important particular. And they spent eighteen continuous months in Russia instead of a few days.

The Russian autocracy is described by the Senator as a "mammoth experiment in workers' government." This is the most important mistake the Senator makes. There can be no dispute about this because no competent authority disagrees with the statement that the soviet power is anything but a gigantic autocracy in which all power is held in the hands of a small, self-perpetuating group. The soviet power is elsewhere described by the Senator as "largely a labor government," which it admittedly is not.

There is no freedom of organization, no freedom of the press, no freedom of speech, no freedom of movement, no freedom of assembly—and these are the elements of free government. These things are so important that Americans are taught to believe they are more precious than life. Yet Russia has none of these things, despite which Senator Brookhart glows and effuses about that forlorn expanse of country.

WRITING is a trade—a profession if you will—and most men recognize it. A man high in authority in the business world and with a real gift of expression begs off when he is asked to contribute an article on the ground that he doesn't know how to write.

But here's an actual happening. A suggestion came to the editorial desk that a distinguished business man had a first-rate story to tell dealing with a phase of business much under current discussion. He wrote back modestly that he hadn't the ability to do it, but that he would jot down what he had to say, and that it might be altered as we saw fit.

The article came and with no explanation was sent around the office to be read. It came back with no dissenting voice and no voice of criticism—an almost unique experience in an editorial office, at least in this office.

We leave you to guess which article it is.

OUR MAIL brings testimony that the magazine is going into homes—"can't find time to read it all in office hours," some subscribers write. They ask that the magazine be sent to their homes. Those terse requests carry a compliment—the magazine is held worthy of thorough reading.

Magazines must give place to the cares of the business day, of course, and it is only at night that many men find time to inform themselves beyond the scope of their own work. A word to our circulation department will order the change of address—just say when, and the magazine will show up regularly at the home instead of at the office. If the old label could be sent along with the request, it would expedite the change.

IT HAS always been a sore point with radicals that their representatives become milder after a few weeks in Washington. Charges have been made that wicked plenipotentiaries of Wall Street have dined and feted the sturdy patriots until their wills were no longer their own. Consider the case of candidate Magnus Johnson, who in many a pronouncement, swore he would consort never with the evil ones at Washington. But now come, we understand, pointed questions from Minnesota, implying doubt, suspicion, and even despair, due to a feeling that the mighty Magnus is slipping. It is said that: 1. He could not hold his own in a milking contest with Secretary Wallace, who is anything but a dirt farmer. 2. In a wood-cutting match

An Editorial

Reprinted from The Christian Science Monitor

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WALTER W. HEAD, president of the American Bankers' Association, recently gave out figures to show a few of the material elements of strength possessed by the United States. They are impressive. A newspaper printed them in large black type with the heading: "Why Is America Great? Digest These Figures." The United States, Mr. Head said, has:

Making America's Power A Blessing

110,000,000 persons, occupying 3,700,000 square miles of territory, and possessing wealth estimated at \$300,000,000,000.
Bank deposits aggregating approximately \$40,000,000,000.
500,000,000 acres of improved farm lands valued at \$77,000,000,000.
More than 3,000,000,000 bushels of corn and 1,000,000,000 bushels of wheat produced in a year.
More than \$60,000,000,000 worth of manufactured products turned out in a year.
More than 23,000,000,000 gallons of crude oil produced in a year.
More than 250,000 miles of railroad.
800,000 miles of telephone lines.

Mr. Head might have added, to make this showing more striking, that about two-thirds of the gold of the world is in the United States and that the yellow stream is flowing toward that country in steady volume.

The consciousness of having normal physical strength is a good thing for a man to possess, if he has work to do and a desire to perform it. Its value, however, both to himself and others, is measured by the use to which he puts it. If his time and his thoughts are devoted mainly to pleasing contemplation of his own prowess, if his capabilities are allowed to go unexercised, or are employed only for his own gratification, without effort at service for others, if his attention is given to preserving and increasing his physical endowments to the neglect of his higher faculties, he becomes of small value either to himself or his associates, and is not an admired spectacle as a man. On the other hand, if he uses his strength, in subservience to his spiritual nature, for the benefit of others, he is building upon a sturdy foundation.

Nations differ not one whit from individual men in these respects. History is filled with examples of peoples and empires that possessed wide territory, teeming populations, vast herds of cattle, huge stores of corn, gold and jewels, and wealth almost beyond computation in multitudinous forms, yet were neither really prosperous nor happy, were of little value to mankind as a whole, and, after a brief period of vulgar pride and empty, ostentatious display, withered, decayed, and disappeared.

There are not lacking those who believe that the United States is on the high road toward this fate. They are not without signs to which to point in justification of their opinion. Frequent display of prideful figures like those furnished by Mr. Head, exulting contemplation of them, mingled with warnings that the United States must live for itself alone without sharing in responsibilities or obligations that fall to it as a member of the family of nations, are some of those signs. There is no doubt that the United States, rich and strong, is subject to the temptations of wealth and power. But it is well to remember that the Nation is very young yet and that its riches and strength have come to it in early youth, that like all young manhood its character is very susceptible to good as well as bad influences, and that there are abundant indications that, while tempted, the people as a whole have not yielded alarmingly or beyond hope of reform.

Never was there a nation that showed quicker or more generous impulses or a livelier readiness to give of its substance and its services for the benefit of others. These are its natural characteristics that should be stimulated and encouraged and appealed to. Its heart is right. It rejoices in the finer and higher things of life, as well as in flocks, and herds, and corn, and stores of unmeasured gold. Let those who take a lofty pride in the country's higher character and noble destiny use without flagging their powers of persuasion and leadership toward keeping youthful America in the paths of its best tendencies. Then its wealth and power will not hurt it, but be an immeasurable blessing to itself and the world.

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When writing to RADIO CORPORATION OF AMERICA please mention the Nation's Business

with Lynn Frazier, he came out second best. 3. As a guest at a dinner party while the merry quip passed round the board and the water flowed freely, the Minnesota Senator loosed his tongue to praise the sweet potatoes. But the potatoes were squash!

So it is that horny-handed constituents, hearing of these things, are swearing by the patron saint of all good dirt farmers that their Senator has been undone by the effete East, and horrible thought, swallowed whole and entire by the Mammon of Wall Street!

IN ONE of our numbers last year we printed an editorial about blizzards, boll weevils, and weeds. Eight months later we have word that our whimsical comment offended a manufacturer of a weed exterminating compound. For eight months he has been carrying bitter resentment in his mind, and not getting it out until he met one of our representatives. Now we know how he felt, and we have done our best in a personal letter to show him that no harm was intended.

But doesn't the experience give new point to Stevenson's cogent notice of the slips between the meeting of minds—of the fate that bests complete understanding? And passing to one of lesser fame, we are reminded of a trombone player we once knew. His music was not always a concord of sweet sounds. All the notes went in sweet, he explained, but some of them came out sour. So it is with writers and their readers. It's lucky for some of us that good intentions and motives are still allowed to enter into the picture of business and social relations.

FIRE that gets out of hand raises the very devil with business. So we pointed out in the December number with "Casting Out the Devils of Fire." That article relates to the Chamber's campaign to reduce fire losses. The railroads are engaged in organized fire prevention, and G. R. Walsh, of Saint Louis, wishes us to know about their work. He writes us with reference to an article in the November issue of *The Missouri Pacific Magazine*. To quote from his letter:

The instruction and the training which the railroads give to their employes in the matter of fire prevention is far-reaching in its effect as it may properly be assumed that the employe is equally zealous in protecting his own property as he is in protecting that of his employer.

Good for the railroads and good for the country, Mr. Walsh. Never will the traditional ounce of prevention be at more important parity with the equally well-known pound of cure than in dealing with fire.

"**GOLFERS** in the United States number 7,500,000," says the *Washington Post*. Now we know our goal of 5,000,000 subscribers is not too ambitious.

GOVERNMENT has borrowed a light from traffic control. An army officer has installed a green electric light outside his office door. When he is in his office the lamp is lighted. When he is out the lamp is unlighted. The lamp signal has been set up to save the time and steps of other army officers who have business with him. The light is visible the entire length of the long corridor on which the office is situated.

It is said that the new system will accelerate government business, and that it will be installed in other offices. Well, if it does, if a little green electric lamp will speed up government business, then all we can say is, "How wonderful is electricity!"

M.T.

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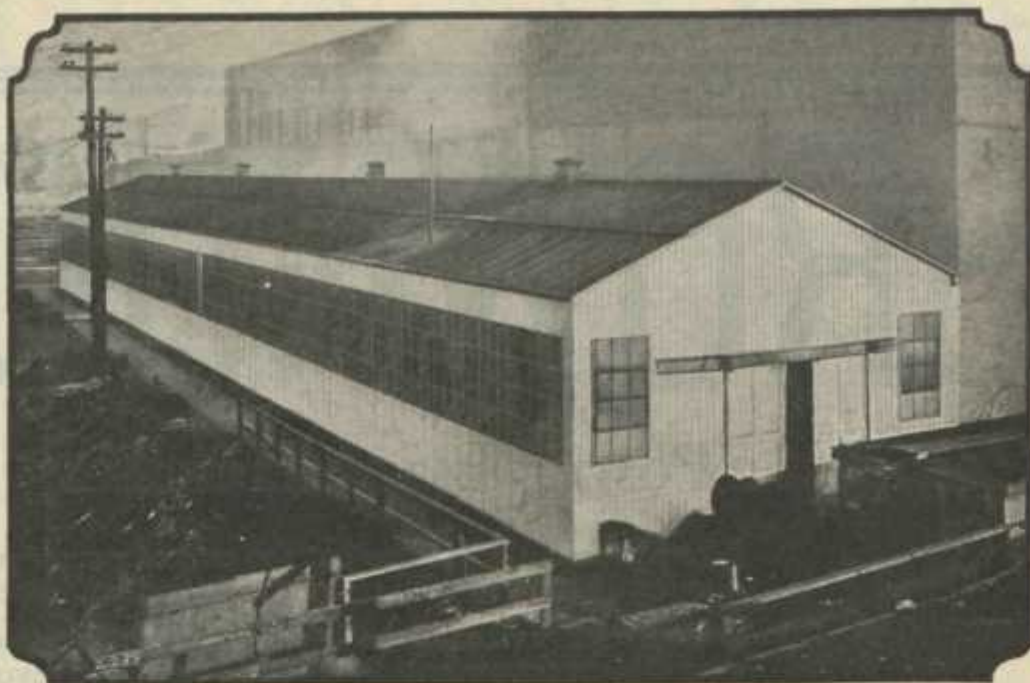
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Type BCB—Unit widths, 30, 40, 50 and 60 ft. Heights, 8, 10, 12 and 16 ft. for buildings 30 ft. wide. Heights, 12, 16 and 20 ft. for buildings 40, 50 and 60 ft. wide.



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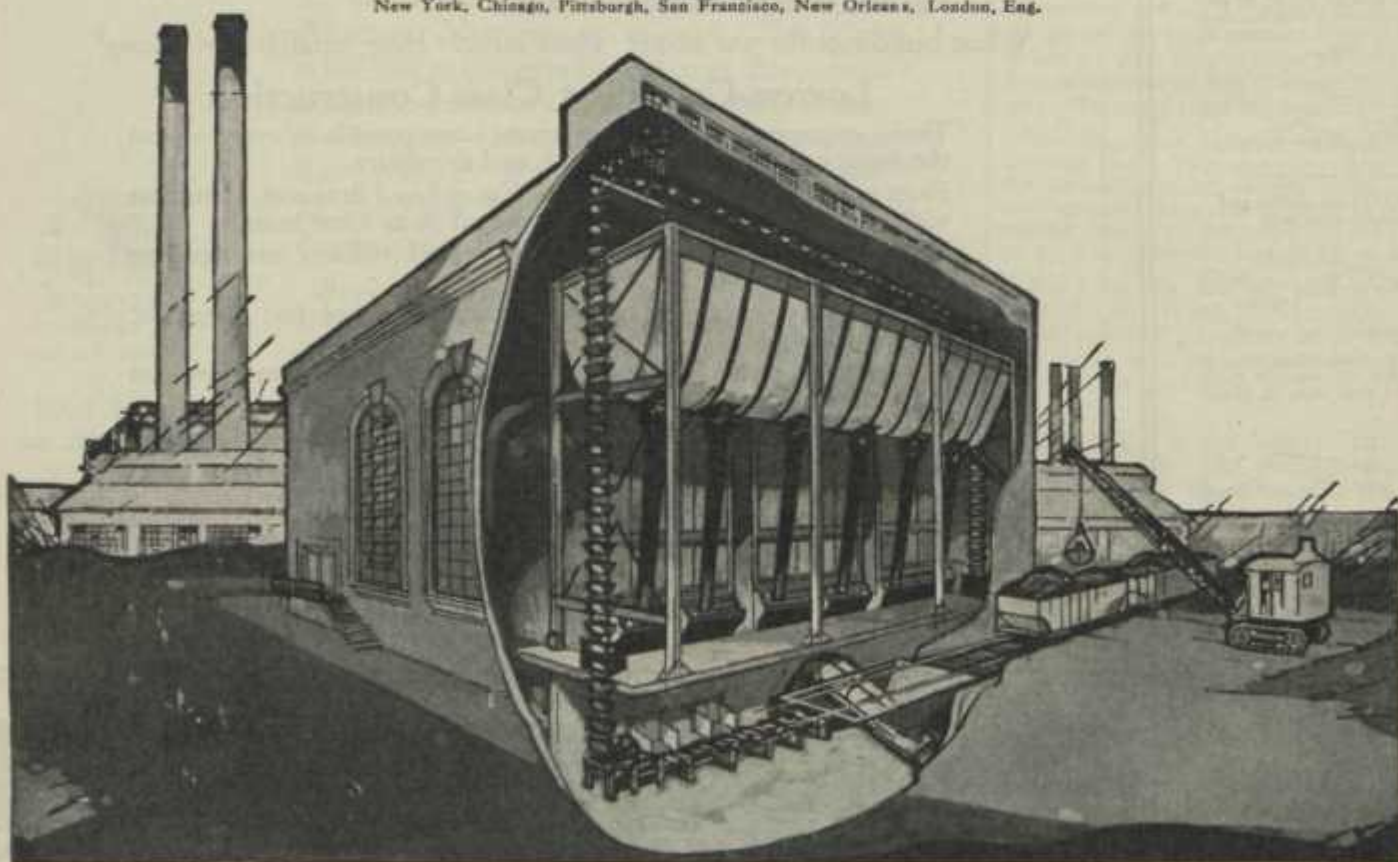
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The NATION'S BUSINESS

VOLUME 12, NUMBER 2

FEBRUARY, 1924

A Magazine for Business Men



Russia Ended Socialism for Me

MY FATHER was a Nihilist. So was every liberal intellectual in Russia during the reign of Alexander II and Alexander III. From childhood I was thoroughly steeped in the doctrines of Bakunin, Kuropotkin and Marx. When American children were reading Grimm's Fairy Tales, I was digging my way through the three thick volumes of "Das Kapital." I read and reread Karl Marx' monumental masterpiece in German and in English—and not once in each language, but many times.

When I was eleven, I remember my teacher selecting six boys from our class. He took us to a field after school, pledged us to secrecy, and read with emotion a proclamation to the Russian people to arise and overthrow the Czar. Then he burned the proclamation. Later I learned that our teacher was a young nobleman who traveled incognito from school to school, staying in each place only long enough to plant the seed of revolution.

I listened to the long discussions on Socialism that took place around our table at night and sometimes took part in them.

By the time I was thirteen and my father, who was then under sentence of exile for having uncensored books in his possession, decided to come to America, I was a Russian revolutionist in the making.

In America my first contact with the radical movement was at a meeting in memory of the anarchists hanged in Chicago following the Haymarket riot. This was in Milwaukee, where my parents had settled. Here, behind locked doors, I met Paul Grotkow, Mrs. Parsons, widow of one of the anarchists, Robert Schilling and Victor Berger. Before the meeting was over, the hall was raided, and we fled. A week later we met above a saloon and continued our exercises.

From that time on I took an active part in the secret meetings of the Milwaukee radicals. Here I heard Grotkow preach the doctrine of revolution. He even went so far as to urge every workman to arm, and made arrangements for purchasing rifles and ammunition. A few squads actually drilled, although I was for a milder program. When the Populist Party took form out of this mixture of anarchists, Socialists and Communists, I joined it, while the more radical elements crystallized into the Social Labor Party under Leon Most. Later the Social Labor Party split into two factions, one of which believed in the bullet; the other, the Socialist (later the Social Democratic Party), in the ballot.

While these parties were founded on the purest idealism, in later years they became simply the vehicles of ambitious leaders to

THE writer of this article, Russian by birth, American by adoption, had fought in this country the battle for Socialism, had been a leader in the councils of that party. When the overturn came in his native land, he hurried back to play a part in shaping the new government, where Socialism should be put into action and the brotherhood of man made real. He wanted to see the dawn of a new day for humanity, to take part in the great work.—THE EDITOR.

By JACOB H. RUBIN

Former Member the Socialist Party Central Committee

carry them to aggrandisement. The early radical leaders died idealists. Of such men was Paul Grotkow. Of those who watched the Social Democratic Party grow to its present power, I can single out Eugene Debs as one of the few leaders who remained idealists. The rest with few exceptions are opportunists and politicians.

At that time I was blinded by my devotion to the cause. The doctrines of the Social Democrats, under Victor Berger, particularly appealed to me; and this party I finally joined.

In the meantime I had been a Marxian long before most of the prominent Socialists of today and years before there was any such thing as a Socialist Party. As a dues-paying Socialist, I was a member of the central committee, the body controlling the party policy. I spoke at public meetings and was a candidate for office.

Much of my life outside of business was spent in studying Socialism and attempting to bring its theories into actual existence. The social revolution seemed simply a matter of time. I preached that the capitalistic system was wasteful, corrupt, unjust and destructive of the soul, and that only in a state modeled upon the principles of Karl Marx could things be otherwise.

You can imagine with what joy I hailed the news that the Romanoff dynasty had been overthrown and that at last the Russian people were putting into operation the principles in which I had soaked myself.

I seized the first opportunity to enter Russia, going by way of the Balkans, supposedly on a business mission, but with my red card, a letter from the Soviet Ambassador, Martens, to Tchicherin, and another from Morris Hilquit sewed in the lining of my overcoat.

At Odessa the government was controlled by Denikin, who had previously wrested the city from the control of the Bolsheviks. I was arrested as a Bolshevik spy on a trumped-

up charge, sentenced to be shot, rescued through the intervention of an American Red Cross officer, and went through the second fall of Odessa into the Bolshevik hands.

In prison I had as my cellmates eight of the men who were subsequently to become the leaders of Odessa. Together we planned the reconstruction of the city. And I, an American, had an active part in putting into practice in Russia the doctrines of Karl Marx.

I acted as counsel to the Bolshevik Government, helped form the various departments and had charge of the production of a propaganda motion picture.

I not only directed this film but acted in it, and then set forth from Odessa in a special train to exhibit it. Later I was to take one of the positives to America. The picture made my name known throughout Russia, and so by the time that I reached Moscow, the Soviet capital, the commissars were awaiting me.

The motion picture had shown the bribery and graft of Denikin officials, the suppression of speech, the injustice and lack of order. In Moscow I found all the evils I had accredited to the Denikin Government flourishing under the Soviet regime, only ten times worse.

In America Socialists often complained about the curb on free speech. In Moscow there were no public meetings except of the Communist Party or for the spread of Communist propaganda.

Even to visit a friend in his room in a hotel required a permit. One had to explain the object of the visit and the exact time it would take. One always talked in whispers for fear that someone else might be listening.

And there were spies, spies on every hand, many more than during the most despotic days of the Romanoffs. I was constantly shadowed; and although I knew that one of my acquaintances was a spy, there was no way of knowing how many others were. It was impossible to express an opinion freely.

It is impossible to enumerate all the little signs of oppression that I found everywhere, but here is one that indicates the length to which the "dictatorship of the proletariat" went. Church attendance was a sign that one was not a true Communist. And so the citizens who had been compelled to join the Communist Party in order to hold places, either stayed away from services altogether or attended them in disguise. An official in a bristle factory, although a devout Jew, remained away from the synagogue on the Day of Atonement because he was afraid that one of the numerous government spies would discover him and that he would lose his liveli-

hood. I had always looked upon corruption and bribery as adjuncts of monarchical and capitalistic governments. Under Communism I believed that all officials would work unselfishly for the glory of the state. Instead I found corruption and graft in high places on a colossal scale.

When private property was abolished, the *tchaika* immediately requisitioned all chattels and removed them to warehouses. Instead of redistributing them equally, about one-half fell into the hands of the *tchaika* officials. What they could not use they sold through their agents in the great public market-place, although public trading was at that time a capital offense.

On the other hand, when any merchant who had succeeded in concealing a part of his stores from confiscation attempted to sell anything so that he might purchase food, the *tchaika* would raid the market-place, seize everything and later sell it through its own agents at the same market!

The great contrasts between wealth and poverty in capitalistic Europe and America I saw magnified in Communist Russia, where the Bolshevik commissars lived in luxury while the mass of the people slowly starved. A few great leaders like Lenin, Trotsky and Tchicherin really lived quite modestly. They were the striking exceptions to the general selfish callousness of the commissars.

When asked who would "do the dirty work" under Socialism, I had always replied that every citizen should take his turn at it. Moscow adopted this unselfish plan. Once a week every citizen was supposed to do his share of the unpleasant work. Yet, whenever a drafted man was able to bribe an official, he was invariably released.

Transportation was in such bad shape that railroad travel was permitted only "on government business." Yet by means of gold one could always convince the official who happened to be in charge of the issue of passes that one was "on government business."

Houses were requisitioned from the owners and supposedly reassigned in an absolutely impartial manner, one room going to every two persons. But by bribery an owner could retain a room in his own home, together with some of the furniture. Policy of "first come, first served" was supposed to prevail in the distribution of all rations. I have often seen thousands of persons wait in line for days to get a new pair of shoes, but by bribery one could get shoes immediately.

Just a New Aristocracy

WHENEVER a Russian official had accumulated a large store of treasure in return for his influence, he would attempt to influence some higher official to get him an appointment as courier. This would give him the opportunity to take his ill-gotten gains to some foreign land while ostensibly engaged on a government mission. Often the couriers never returned.

As a Social Democrat, I had often spoken against the artificial distinctions of birth or wealth. Specially bitter was I against America's "dollar aristocracy." In Soviet Russia, on the other hand, I expected to find all social barriers broken down and every man

a comrade. Instead I found new barriers and a new aristocracy.

Besides the officials of the *tchaika* and the Red army—a class of corrupt, arrogant overlords—there were the speculators. These, acting as agents of the *tchaika*, sold goods confiscated for general distribution at exorbitant prices, and amassed fabulous fortunes.

In high offices I found men grotesquely unfit to hold their positions. A former scavenger, for instance, was an officer in the department of health, while a one-time shoemaker was a member of the important food commission. Those of low position and youth appeared to be especially favored in the appointments. In the desire to sweep away the old regime and substitute the "New Russia," girls and boys scarcely out of the schools were made judges in judiciary positions. In Moscow the age of the police judges ranged



Jacob H. Rubin

FOR twenty-five years I studied Karl Marx and went up and down this land preaching communism.

I preached that capitalism was wasteful, corrupt, unjust and destructive of the soul. Under communism, I found a system unbelievably more wasteful, inefficient and expensive.

I preached that corruption and bribery were adjuncts of capitalistic governments and under communism all officials would work unselfishly for the glory of the state. Instead I found corruption and graft on a colossal scale.

I preached against the artificial distinctions of wealth and birth and America's dollar aristocracy. In Soviet Russia, I expected to find all social barriers broken down and every man a comrade. Instead, I found new barriers and a new aristocracy.

Like many another honest reformer, I failed to take human nature into account.—JACOB H. RUBIN.

from 17 to 25. These were the children or nearest kin of the Communists who had taken part in the revolution.

The Soviet leaders seemed to take particular delight in humiliating those of former position. I found men, once prosperous, working for their old clerks; merchants as truck drivers; a government not of equality, but of revenge.

That was the new aristocracy—speculators, boys and girls in high office, the underdog who found himself on top not because of ability, but because he had been the underdog. Sometimes it seemed as though a loud voice and a long record of atrocities were the best assets for the politically ambitious.

Back in Milwaukee how often had I pointed out the terrible waste of the capitalistic system—the duplication of effort by rival concerns, the struggle for domestic and foreign markets by competing sales organizations, the huge expenditures for competitive advertising. A cooperative system, I had assured my audiences, would do away with middlemen, give the consumer goods at actual cost, and give the laborer the full product of his toil. Profit, rent and interest would be eliminated. The selfish incentive to pile up profits, to beat one's competitor, instead of better serving

the public, would vanish! What I found instead was a system unbelievably wasteful, inefficient and expensive.

In the first place, centralization of the means of production and distribution, instead of eliminating waste, created it. There was endless checking and rechecking. Imagine our own government in Washington being suddenly saddled with the additional responsibility of operating all our industries, and you have a faint picture of the situation. Departments and bureaus tangled up in endless red tape! The smallest operations requiring applications, permits, requisitions!

In capitalistic Milwaukee when a pipe leaked, I called a plumber. Sometimes he delayed, but the pipe was repaired. Not so in Moscow. There the task was more involved than filling out an income tax blank. First one had to get a blank and file application with the office of repairs. This application went to the department of plumbing. Here requisitions were prepared for workmen at the workers' central clearing house. In the meantime, one had to file a permit for the necessary material in another office, from which requisitions were made on the central warehouse. Each of these steps took weeks, if not months. Application for repairs in the bathroom of the apartment in which I lived in Moscow was filed two days before I arrived, May 30. When I left, October 21, the plumbers had not yet arrived!

In the factories there were applications, permits, orders and requisitions for everything, not to mention endless reports. I visited perhaps a hundred factories of all kinds, and everywhere I saw the same conditions. Most of the work was clerical—the filling out of the many forms. Aside from this tremendous amount of paper work little was done. The superintendents and overseers were not afraid of losing their jobs, and much time was spent making speeches lauding the Soviet Government. Because all labor was requisitioned according to the public need, no one seemed interested in his job. One was always sure of his daily ration, no matter how little or how much work he did and no matter how well or poorly he did it.

In the factories I found former common laborers occupying the highest places, while men of technical training and experience, who might have been able to maintain a fair degree of efficiency, did menial labor.

Destruction of Incentive

BEFORE my visit to Russia I had regarded the stock argument against Socialism that it destroys incentive as sophistry. I firmly believed that the incentive which set men to struggling for wealth under the competitive system was base, and would be replaced by a higher incentive—the common good.

In Russia I found that the love for the common good spent itself mainly in speech-making, flag-waving and politics. Not only in the shops and mills were individual initiative and incentive crushed, but even in the fields, because every pound of potatoes, every bushel of grain, every head of cattle, over a certain quota were confiscated by the state. Not only the incentive to work was crushed,



This American Workman

finishing his work, will climb into one of these automobiles, to ride home over paved streets to be met by happy children come from good schools—a home with electricity, water, heat, vacuum cleaner, phonograph, radio, a motion picture theater around the corner—all the material things which go into the pursuit of happiness.

But greater than the material is the spiritual uplift of living in a country where in reality he stands equal before all others in the opportunity for himself or his children to become president of the company he works for—or indeed President of the United States.

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but to invent, to systematize, to cooperate. The middleman, instead of being eliminated, became multiplied into bureaus, offices and departments.

I spent many hours in Russian schoolrooms and found half-educated or ignorant teachers explaining to little children the theories of Karl Marx, the philosophy of internationalism, the evils of capitalism. The schools, including the classes for adults, were almost purely a means of inculcating the young and ignorant with the theories of Communism and atheism. Old ideas of parental love and respect were sneered at. The child was taught that he is a product and the property of the state and a future soldier of the industrial or military army.

I entered Russia to find the realization of lifelong dreams. All my sympathies, all my prejudices, were in favor of Bolshevism. It

was only gradually that the full significance of the failure of the Soviet Government was borne in upon me. I fought against the testimony of my own senses as long as I could. At the end I had to admit that the principles of Marxian Socialism, as applied to the solution of human problems, are false.

I left Russia on December 20, 1920. Since leaving I have kept in constant touch with conditions. My information has come from many sources: from correspondence with friends and relatives still in Russia, from interviews with Russian emigrants, from a correspondent at Reval in the employ of the Bolshevik Government, and from absolutely authentic sources which I cannot reveal.

Conditions have not changed fundamentally for the better since I left. The same group of the Communist Party still rules by force.

There is no freedom of speech or assembly, and the press is still suppressed. The educational system has become better organized for inculcating children with propaganda, and in addition a system patterned after our Boy Scout movement has been developed. Every boy from eight to fifteen belongs to a military organization which is attached to such regular regiment. Morals are apparently laxer.

After three years of peace, production of manufactures is only one-fifth as great as before the war, while the annual value of agricultural products is less than half of normal, according to the Soviet Government's own reports.

Communism as I saw it is more wasteful, more corrupt, more unjust and more destructive of man's soul than capitalism.

Limits to What Cooperation Will Do

THE DEPARTMENT of Agriculture tells us that, in 1919, \$800,000,000 worth of farm products were sold through cooperative associations. It is probable that this amount was increased to \$1,000,000,000 in 1923. What does this tremendous development of agricultural cooperatives mean? Have we here the solution of the farmers' marketing problem or the answer to the high cost of living? What is cooperation, anyway? Is it a practical formula of business organization? A rule of thumb? A marketing agency or an ideal?

We can arrive at an answer to these questions by analyzing the application of cooperative organization to certain commodities and marketing processes and by definitely attempting to establish its limitations.

Agricultural cooperative associations may be broadly defined as associations of persons to perform some function of production or distribution in which profits or losses are to be distributed in proportion to the business contributed by the several members. Cooperatives are generally non-stock companies and, generally speaking, the control of the business of the association is based on the principle of "one man, one vote," although there are many exceptions to this rule.

In this country, the principle of cooperative organization has been applied, for the most part, to the primary marketing processes or, in the case of butter and cheese, to primary manufacture, and more recently to the secondary process of concentration and wholesale selling such as we have seen in the development of the cotton, grain and tobacco cooperatives. Cooperative retailing has been tried out here with occasional outstanding success, but, for the most part, with indifferent or unfortunate results. There have been occasional instances of the application of the cooperative principle to manufacture and one outstanding example of its application to banking. The processes of distribution which intervene between the farmer and the consumer are diverse and complex, but, roughly, may be divided into a few primary functions. First, primary marketing from the farm to the country elevator or other local marketing place; grading, bulking, or concentrating at terminal markets; manufacture; transportation; wholesaling and retailing. To these functions, of course, must be added all the secondary processes like storage, financing, containers, etc.

These functions are per-

By SYDNEY ANDERSON

Former Chairman, Joint Commission
for Agricultural Inquiry



This is the prevalent idea on cooperative marketing which Congressman Anderson challenges

formed, not by separate and distinct machines, but by a series of machines each adjusted to the other and functioning to a common purpose. What happens at any point in the chain of distribution may, and usually does, have a marked effect upon what happens in the others.

Cost Portion Affected Is Small

IN GENERAL, cooperatives in this country have been limited in application on a broad scale to those processes or functions which fall between production and manufacture. The savings, therefore, of cooperation so applied, are limited to the segment of the consumer's dollar represented by the cost of these processes. It is probable that they do not absorb, on the average, more than 7 per cent of the final consumer's price. At the same time, the advantages of cooperation so applied are limited to improvements in marketing and handling processes and in quality of production which fall between producer and manufacturer.

Cooperative organizations have been applied to both wholesaling and retailing in Europe, notably in Finland. A brief examination of the op-

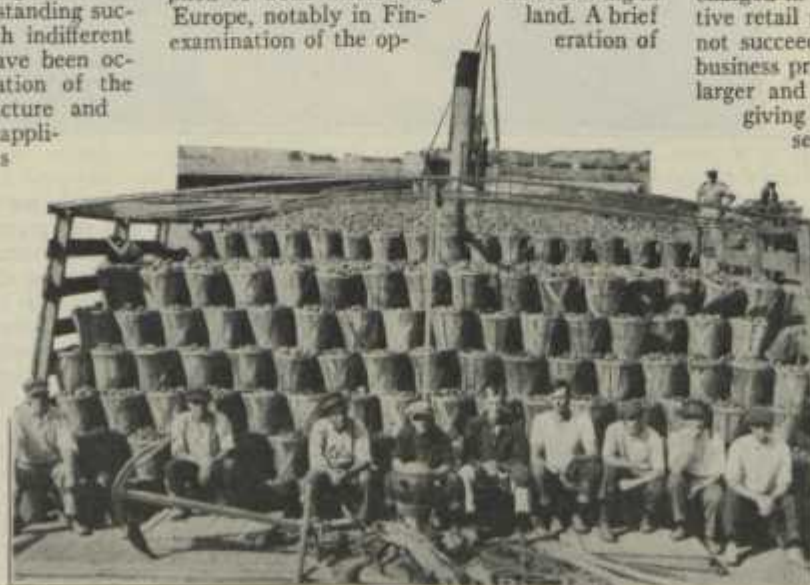
the cooperative retail system in Finland may serve to delimit, somewhat, the field within which cooperative retailing may be successful and, in general, the conditions which must apply to co-

operative organization wherever applied.

The cooperative retail stores in Finland, of which there are a large number, are compactly organized in a chain with a coordinating central agency. There is a complete exchange of information between the store through the centralizing agency. This exchange of information enables the individual retailer to improve and standardize his merchandising processes and to avoid losses and to make profits through the experience of others. The cooperatives handle only goods of standard quality and a relatively small variety. The man in the organization who develops ability is gradually promoted in the organization as in any other business enterprise.

The income and purchasing power of the population which these stores serve falls within a much narrower range than would be the case in any city or country village in this country. As a consequence, the range of consumer demand is relatively smaller, making possible the carrying of smaller stocks and greater uniformity and standardization. The retailer buys, as the consumers' agent, what he can sell to the consumer to advantage instead of, as in this country, selling what the manufacturer produces to supply a market already created by the manufacturer.

It is generally conceded that the prices charged in these stores are lower than those charged in this country, and that the cooperative retail stores are a success, but they have not succeeded to the extent of putting out of business privately owned retail stores, carrying larger and more varied stocks of goods and giving a higher degree of merchandising service. It seems unlikely that the cooperative store can compete with the individual store having a high degree of merchandising ability, catering to highly diversified consumer demand and a wide range of purchasing power and giving a great deal of high-grade service. In all cases successful cooperative retailing inevitably depends largely upon the ability of the cooperative in a degree at least to standardize consumer demand, establish uniform merchandising methods through complete, thorough exchange of information, reduce and standardize varieties in conformity with



Tomatoes on the Delaware River, marketed through Growers Association

Bying Gallaway

consumer requirements and to eliminate specialized service.

As will be indicated later, the limitations applicable to cooperative organizations in retailing are in general similar to, if not identical with, those which apply to cooperative marketing or producing. As applied in this country, cooperation is essentially a producers' agency. Its greatest development in this country has been in the organization of local farmers' elevators. This class of cooperatives in 1919 did 41 per cent of the volume of business done by all cooperatives in that year.

The local cooperative creamery is another example of the primary application of cooperation, but in this field the advantages of cooperation have been more generally realized than in the case of the cooperative elevators. More recently, the cooperative principle has been applied to the larger scale operations involved, for example, in marketing large volumes of wheat and in handling cotton for export. Still more highly organized are the cooperatives in California, especially those dealing in citrus fruits.

What are the advantages or disadvantages of cooperation which may be expected to accrue to the farmer?

There is no inherent quality in cooperative organization which makes cooperative management more efficient than private management. Indeed, the difficulties of cooperative management are generally recognized as greater, due to the smaller degree of concentration of authority and the need of keeping a large number of individual growers satisfied.

If cooperation does no more than what private enterprise is now doing, no better than private enterprise is now doing it, no very great benefits can be expected to flow from it to the public in general. If cooperation does no more than absorb the profits in primary marketing processes which occur between the farmer and the manufacturer or first wholesaler, it will not very greatly benefit the farmer. For, while these profits may bulk very large when divided among the comparatively few persons engaged in the business, they become relatively insignificant when distributed among the great mass of producers.

Another advantage which is expected to flow from cooperation is orderly marketing. Orderly marketing, in the case of marketing of grain, at least, seems to contemplate the sale of one-twelfth of the crop each month. If one-half of the export demand for wheat occurs in the first one-third of the crop year, it is difficult to see what advantage can follow the policy of selling one-third of the crop during the first one-third of the crop year. This means only that other nations will supply the demand which we would otherwise fill. Orderly marketing of perishables or annual crops consists of selling what you have when there is a demand for it.

Again, there is another theory that cooperation will enable the farmer to withhold his crops from the market and thus compel a higher price. The fallacy of this theory is apparent upon a very simple analysis. If we have a short world crop and a high price,

holding is unnecessary. If we have a world surplus, holding simply means that we hold the sack while the other nations fill the demand. Of course, there are peaks and valleys in the market supply of grain, livestock and perishables which can be evened out by more orderly marketing, but the influence of this process will be to steady and make uniform the market. It can only even the prices. It will scarcely produce generally higher price levels.

Are there, then, no advantages which can flow from agricultural cooperation? I think there are many and a careful analysis of the means of obtaining these advantages will help to clarify the atmosphere.

There are certain axioms which are applicable to both productive and selling processes. I may briefly outline them in this way: It costs less to sell a standard commodity than one which is not standard; it costs less to sell

methods of production. Great strides have been made in recent years in the development of improved farming methods, the control of insect pests and plant and animal diseases, in the selection and treatment of seed, in the propagation, breeding and selection of plants, in the preparation of the soil, in seeding, cultivating, harvesting, storing and handling.

It is in the development of better and more standard qualities and the application of uniform methods that the great field of the cooperative lies. The full measure of success of the cooperative depends largely upon its ability to put into effect standard methods of seed selection and treatment; disease and insect control; planting, harvesting and handling, to reduce varieties and standardize quality, size, texture, color, and the keeping qualities of the product. This means the application of cooperative organization upon the farm or cooperative farming, as well as cooperative marketing. For example, the California Fruit Growers' Exchange has reduced the number of varieties of oranges produced and handled from more than fifty to less than five. It has inaugurated standard practices of seed selection and treatment, soil preparation, fertilization, bud selection, grafting, harvesting, packing, etc.

Industry enjoys certain advantages which are denied to the farmer because of his unorganized and isolated condition.

These advantages of industrial organization lie in bringing a large amount of capital under the control of a single administrative genius; in making possible the employment of the highest possible expert technical assistance; the accumulation of a series of business experiences upon which future judgments can be predicated; the development of uniform methods; the application of the principles of volume production; the prompt adoption and application of policies and the intelligent analysis of problems of production and distribution as a basis for their solution, and intelligent control of production to meet demand.

Outside of, and beyond, the advantages which cooperation can secure for the farmer, through the adoption of standard methods of production, the reduction of varieties and the production of a standard commodity, the success of the cooperative rests upon the adoption of the same principles which have been applied in industrial organization.

The cooperative enables the farmer to secure the low costs incident to the handling of a large volume of business under standard methods and practices.

It enables him to secure and apply the highest type of scientific and technical skill in the solution of his problems.

It enables him to accumulate a record of experience, both in production and market-

NO ARTICLE we have ever published has created greater interest than "The Case as to Distribution," by Sydney Anderson, printed a year ago last month.

Over two hundred thousand reprint copies were requested and circulated. We believe that the current discussion of cooperative marketing as a cure for the farmers' problems assures an equally interested reception for Mr. Anderson's authoritative treatment of this subject.—THE EDITOR.

few varieties than many; it costs less to sell large quantities than small quantities; it costs less to sell a commodity that has a continuous and established demand than one which has a seasonal demand or is new to the market; it costs more to sell a commodity for which consumer demand has not been definitely established than one for which consumer demand has already been created.

It is perfectly clear that a thousand boxes of apples of a well-known and well-established variety, carefully and accurately graded, will bring a larger price than a thousand boxes of ungraded apples of several varieties, or, even, than a thousand boxes of apples of several varieties, some of which are established in the market and some of which are not. It is obvious, also, that a thousand boxes of apples can be sold cheaper in one lot than in ten lots or in a hundred lots.

The farmer cannot apply these axioms because he is not organized for the purpose; they cannot be applied by the middleman's organizations in full because standardization and the production of a commodity to fill a specific or particular demand is a process of production rather than of distribution.

The cooperative can furnish and, in many instances, has furnished, a valuable service to the farmer and to the country in the grading of his products. But standardization must begin, not with the cooperative selling agency, but with the farmer on the farm.

A standard commodity, one of uniform quality, size, texture, color, etc., can only be produced under fairly uniform conditions and



ing, upon which sound judgments can be predicated.

It makes possible the institution of uniform policies under a central authority and the sifting down of these policies to the farmers by whom they must be applied.

It makes possible the use of a high degree of technical merchandising skill in the merchandising of the farmers' products and the extension of the market for the commodity through specialized selling campaigns.

It enables the farmer to oppose a greater resistance to price declines and enables him to absorb the losses involved with less shock to the individual producer.

But no cooperative can be permanently successful which does not aim at intelligent control of production in accordance with market requirements. The production of seasonal or annual surpluses for which no market exists is a process of doubtful economic validity and it can scarcely inure to the benefit of those who produce. Of course, it is altogether

unlikely that control of production can ever be obtained in the degree which is possible, perhaps, in manufacturing industry, but it should be possible, through cooperative organizations, to reduce the hazards of surplus production for which there is not a market to a minimum by such control of acreage as would tend to keep that factor at a fairly steady figure.

The great difficulty with the application of cooperation in this country is that it is assumed to be a self-executing formula which can be applied to any situation with assurance of success. Cooperation is simply a formula of business organization. It must be modified to meet the particular requirements of the commodity to be handled and the circumstances under which it is produced and marketed. It requires the same, or a higher, degree of skill in management. It must be adequately financed and, above all, it must have the continuous support of its members.

Various forms of binding contracts have been developed as a basis for securing and

maintaining the permanency and stability of cooperative organizations. Contracts of more or less binding character are obviously required but, after all, the continuance and success of any cooperative organization rests upon the satisfaction and good-will of its membership. No cooperative will permanently succeed which is unable to show advantages to the producer growing out of its activities which are both lasting and worth while. These advantages must be more than the mere absorption of profits which would otherwise go to middlemen.

There is a real place in our economic system for cooperative organizations. They represent the most feasible means of reaching the farmer for the purpose of securing improvement in quality, standardization of method and commodity. But their permanent success rests upon a recognition of their limitations and the application of the sound principles which experience has demonstrated to be essential to a success in industry.

The Price of Gasoline Is Too Low

By A. C. BEDFORD

Chairman of the Board, Standard Oil Company of New Jersey

DURING the past year there has been considerable public discussion of the relation of the Government to certain of our basic industries. There are always certain political forces working towards governmental control of industry, though I fully believe that is the last thing the mass of the American people would deliberately choose. No large section of the American public wants any extension of governmental control of business except as the lesser of evils. The typical American citizen is pretty hard-headed, though he may be given to temporary emotional extravagances of speech by way of letting off steam. He has, however, a saving grace of common sense which tells him that he will be a little prouder of his country if he never again sees it engaged in private business.

The petroleum industry has been subjected to a good deal of publicity. It was only little more than a year ago that it was the subject of legislative investigation, but it is by no means impossible that it may have to face another or be subjected to unfair and unwise legislation if the public is allowed to assume that it has ignored conditions which should have been influential or has sought through selfish motives to evade economic laws.

It is essential, therefore, that the petroleum industry should fully explain to the public what has taken place, and what are the actual economic and business conditions of the industry, and how necessary it is that the industry have the greatest opportunity to respond to the normal operation of economic laws. It will be our own fault if it suffers from the public action because it allows critics, ignorant or malevolent, to create the impression that there is something wrong with the industry, when as a matter of fact it is fundamentally right.

I am proud of whatever part I have played in bringing the oil business to the place it occupies today. I feel that it has played a bigger part in advancing civilization than any other single industry, for it has made America the land of cheap motor transportation.

Take the product most discussed by the public—gasoline. An esti-

mate of Dr. Edwin E. Slosson, Director of Science Service, Washington, given in a chapter on "Gasoline" in a recent book entitled "Science Remaking the World," says that the best estimate of annual expenditure on motor cars in this country for 1921 was a total of \$7,783,000,000, distributed as follows:

New cars	\$1,448,000,000
Depreciation	1,800,000,000
Interest	295,000,000
Tires	450,000,000
Gasoline	823,000,000
Oil	175,000,000
Garage	552,000,000
Repairs and supplies	1,000,000,000
Insurance	185,000,000
Taxes	275,000,000
Drivers' salaries	600,000,000
Road maintenance	180,000,000
	\$7,783,000,000

Of this huge sum the gasoline cost amounts to \$823,000,000 or about 10 per cent, yet I venture

to say that that 10 per cent causes more agitation and comment than all the rest of the 90 per cent which the public spends. Why?

Perhaps because it is the factor which propels the car; hence the most apparent necessity; and concerns more people than the owner, namely, those who ride with him. This comprises so large a part of our population that the public interest necessarily follows, and full advantage of this fact is taken by those who seek for whatever reason to secure the attention of the public.

Name, if you can, another manufactured article that is maintained at such a high standard, that is so widely and regularly distributed, and at so narrow a margin of profit to the producer as gasoline. People are asking today if the price of gasoline is justified. I want to say as emphatically as I can that the price is too low.

How much of anything else can you buy for the price of a gallon of gasoline? It now takes two gallons of gasoline to purchase the same quantity of anthracite coal that could be purchased for one gallon in 1913. It now takes 1.8 gallons of gasoline to purchase the same amount of railroad transportation that one gallon would have purchased in 1913.

It takes more than 1 1-3 gallons of gasoline to purchase the same quantity of farm products that one gallon would have purchased in 1913. The general weighed average wholesale price of gasoline in the United States is, in my judgment, below 14 1/2 cents per gallon. This is the equivalent of 9 1-3 cents in 1913.

Railroad rates are about 80 per cent, and prices for anthracite coal are more than 100 per cent above the pre-war level. The "all commodity" price—that is, the composite price compiled by the Government for all commodities—is 50 per cent above the pre-war level. According to government figures, the pre-war wholesale price of gasoline in New York was 16.75 cents per gallon. The present price is 16 1/2 cents. I am sure it could be proved beyond doubt that gasoline would have to sell at more than 50 cents a gallon in New York to be on the same level as railroad rates.

Everyone knows, of course, that



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The famous Goose Creek Oil Field, Goose Creek, Texas.

the oil business has been facing unprecedented conditions. With such conditions it has been natural that different opinions should have developed as to the wise policy in meeting the situation.

One school has said that it was the duty of the industry to maintain a fairly stable and reasonable price for crude oil in spite of the flush production in California and the Mid-Continent field, and in spite of the fact that regard only for temporary conditions would justify a lower price. The idea was that such a level of prices would enable producers of the older and smaller producing wells to continue production, and that a vigorous reduction in prices would result in a loss of that stable production which many regard as the backbone of the industry.

Those holding this view felt that it was better to pay a price which would keep these settled wells going, on the theory that, if those wells had to cease production and that oil was lost, the public in the long run would have to pay a much higher price for its oil. It was felt that the public interest would be better served by the maintenance of a somewhat higher price than the immediate economic conditions warranted than by a very low price prevailing now with the result of a much higher price to be faced in the future.

There was another school of thought in the industry which maintained that the economic law of supply and demand should have free play at all times. It has been urged, and particularly by the marketing side of the industry, that, as no one could tell how long flush production would be maintained or foresee what business conditions would have to be faced in the future, it was better that the current price should respond promptly to the actual conditions of supply, and that if later conditions require an increase, the price structure should follow the changed situation.

It may well be that operators of petroleum companies have no choice but to adjust their price structure to the immediate forces affecting the industry and that they have no justification and, indeed, no effective opportunity for maintaining a price structure which looks at long-distance conditions rather than at those right at hand.

The Horns of a Dilemma

HERE, then, we have two perfectly honest attitudes of mind controlling policies of respective companies, policies which have been actuated by these different viewpoints, and each interest humanly inclined to the course which promised the greatest advantage or which seemed to it to possess the greater potentialities for the general good. This has been applied to the whole industry.

Certain commentators and stock market historians have discerned variations of policy among what has been known as the "Standard Oil Group," and this has been proclaimed as a new and significant development. It is, in fact, neither new nor significant of any changed policy. The comments of these writers are perhaps the first public appreciation of a fact that has existed since the Standard Oil Company was dissolved by order of the Supreme Court.

It has always been the duty and ambition of the administrators of the Standard Oil Company of New Jersey, with which I am associated, to discharge the duties placed upon them solely with regard to the responsibilities of that individual unit. In this, as in every other policy since 1911, there has been no concerted action among the so-called "Standard" companies. The power and influence of

the units which formerly existed as a group have not been used to achieve dominance, to injure other interests, or to turn affairs to their advantage.

One effect of the present crisis has been, therefore, to bring to public attention the fact which has been continuously reiterated by my associates and myself, but which apparently required an actual demonstration to be convincing.

But the oil industry must reckon with actual conditions and with public sentiment in the United States. Unless that situation is faced frankly and aggressively, the industry may find itself in a condition crippling its opportunities to realize the greatest possibilities of prosperity.

What, then, is the remedy? I wish now to plead for closer cooperation and more united action within the industry, yet I do not advocate a closer cooperation of any particular group or division. I urge general cooperation embracing every unit, large and small, engaged in any of our varied activities.

We had in the Petroleum War Service Board a voluntary nation-wide organization of the oil industry for the purposes of war, and I think that we may say it is quite as capable of mobilizing itself to serve the public in times of peace. I veritably believe that if we determine to do so, we can continue to be the pilots of our own courses of action and that we shall escape that political regulation which would be neither in the public interest nor in our own.

The principles which should govern the relationship between government and business I still believe to be sound. I believe that the petroleum industry fundamentally deserves public confidence, and I believe that the maximum of efficiency of service can be realized in so far as there is a minimum of government interference with it. Let us then make the American people see that it would be impossible for the petroleum industry to accomplish what it has accomplished and is accomplishing if the business were fundamentally unsound or if the business were not conducted upon right and proper lines.

Of course the fact must be faced, and it is only fair to the public that we should make it



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The nation's oil output is about 750,000,000 barrels yearly

clear that certain of the present conditions in the oil industry cannot continue. Speaking by and large, the oil industry today is selling its product at prices less than the actual cost of production. That is an impossible condition and the result of nothing but abnormal conditions. We must make it clear to the public that the industry cannot continue to give its services at prices prevailing today. Prices must move upward or a great part of the industry cannot exist. No business can be maintained on this basis; and if the facts are clearly presented to the public, the public will itself see that it is not in the general interests that the business should be asked to render a service and to sell its products at a cost less than that of raw material.

There has been some talk of the lack of sound leadership in the oil industry. If by leadership it is meant that certain companies or individuals shall exercise domination, or that some factors in the industry should use their power to stabilize prices and otherwise to exert a control upon the industry, my answer is that the law of the land forbids any such thing. If the law did not do it, I still doubt whether, now that the industry has become so enormous in size, it would be possible for any such result to be accomplished anyway. But if by leadership it is meant that the industry should establish a set of sound business principles under which its activities as a whole should be carried on, then it does indeed have need of just that kind of leadership.

The Battle of the Thirty-second

WHAT'S a thirty-second of an inch to an industry that measures its output by billions of board feet?

Why should men journey to Washington at the call of Secretary Hoover from every part of the United States to debate whether a standard board should be 25 or 26 thirty-seconds of an inch in thickness?

"The battle of the thirty-second," Mr. Hoover called the meeting; and when it was over and the flurry of debate had died down, the lumber men went away feeling that their industry had taken a long forward step towards standardization and better methods.

Outwardly the decision seems a slight thing. Among themselves the manufacturers and dealers in lumber have agreed that a "standard" board dry and surfaced on both sides shall be 25/32 of an inch thick and that for those who demand it there shall be an "extra standard" of 26/32.

To search out all factors involved in that decision one would have to start with a forest in Washington or Louisiana and wind up, perhaps, with a board on the floor of the attic over his head. On the way would come questions of saw-mill machinery, the proper methods of drying woods, freight rates by rail or water from the Pacific coast, building codes in Bridgeport, Conn., customs of the retail lumber trade in Rochester, and a dozen other things.

For some years lumber men all over the country have been struggling with a question which might be phrased in this way: How much should be left of a board when it gets into use if it started in life one-inch thick, green and unsurfaced?

The answer has varied all over the country. Shop around in the yards of any good-sized city for surfaced inch boards, and you may get them all the way from 20 to 28 thirty-seconds of an inch in thickness. Yet they all answered to the same name, and in theory at least they were the same size before drying.

There is an obvious reason for this. The consumer pays for an inch of green, unsurfaced lumber, but he wants it in dried and finished form. That work can be done at the mill most economically, for the railroads fix rates on this class of freight by weight; and there is very little money in paying from the Pacific or the Gulf to New York on moisture. The shrinkage in dry-

WE FELT that the accomplishment of the lumber industry here described was an event of great significance to American business as a whole. To confirm this belief we asked Secretary Hoover how he considered it. He gave us this statement:

Unity of action on the part of the manufacturers, wholesalers, retailers and consumers of lumber, as represented by the architects, engineers and contractors, upon definite grades and standards of measurement on lumber represents not only a splendid example of industry solving its own problems but at the same time bringing about fundamental reforms that will make for protection to the consumer, to lessening of the costs of production, and elimination of waste in our forests.

It was an important step; it has been advocated for years; innumerable bills have been introduced into Congress to compel it.

It is the sign of increasing spirit of cooperation and higher business standards when these things can be solved by industry itself. There is more to do, but it is a great start.

(Signed)

HERBERT HOOVER.

By W. DuB. BROOKINGS

*Manager, Natural Resources Production Department,
U. S. Chamber of Commerce*

ing is big, almost always 40 per cent by weight.

The freight factor can be guessed at when it is recalled that 90 per cent of the country's lumber is shipped by rail and the average haul is now 800 miles and is getting longer each year. The railroads in 1922 charged \$291,200,000 for freight on lumber, timber, etc., so that a very small difference in the size of a board may make a great difference in the nation's freight bill.

What has been said about drying and freight holds true of surfacing. The lighter the board, the less the freight. And right there creeps in another factor that has emphasized the need of standardization, and that is the tendency to cut thinner boards both because it makes more boards out of one tree and because it saves freight. There were standards, too; but they were standards of different groups; and after all, if there is one thing a standard needs, it is to be a standard all over.

But we have still before us the problem of just how much should the inch-thick, unfinished green board be expected to shrink by drying? What is a fair allowance? And how much should come off in surfacing?

These were questions at issue when the lumber manufacturers and lumber dealers came together in an effort to agree on a standard thickness for an inch board. For the most part the manufacturers were for a 25/32-

of-an-inch board. They said in effect that with reasonable allowances for drying and surfacing this was about all that would be left of the one-inch green board in the rough. With the highest skill in manufacturing methods some green lumber might yield boards a thirty-second thicker, but they did not feel that they could establish that as a standard. Some manufacturers said that to assure a dry-surfaced board of 26/32 inch thick it would be necessary to cut a green board an inch and one-sixteenth.

Who were on the other side? In general, a group of manufacturers who had been shipping boards under the thickness, usually 24/32, and who argued that for all practical purposes such a board was satisfactory, and that great savings to all concerned would come from the thinner board.

Out on the other end of the discussion was a large and powerful group of retailers who felt that the standard inch board as it came to them for resale should be not less than 26/32 of an inch thick.

To reconcile these opposing views, to get together, to make a start towards standardization in lumber, was the task that brought to Washington some 200 leaders of the industry in all its factors, manufacturers, dealers, and users. It was the largest of the many gatherings of different industries under the guidance of the Department of Commerce for this general purpose, and it was the first at which the Secretary had personally presided. The representation was unusual. The American Electric Railway Association, the Institute of Architects, engineers of various kinds, contractors, all were represented as well as those whose sole business is lumber.

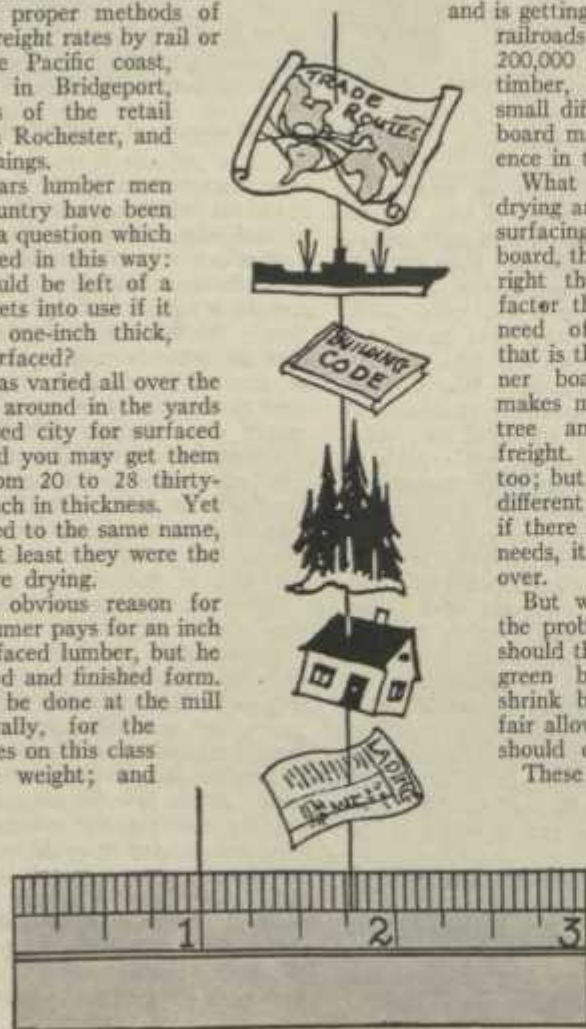
Standardized From the Tree

ANOTHER point which made the gathering of unusual importance to industry was that it took the work of standardization further back to the raw material than had any of the earlier gatherings at the department. When it was agreed that the basis for the one-inch board should be a board, green and unsurfaced, as it came from the tree, "simplified practice" got close to the grass roots.

Called upon as consultants also were Col. William B. Greeley, chief of the Forest Service of the Department of Agriculture, and Carlisle P. Winslow, of the Forest Products Laboratory at Madison, Wis. They were in agreement that 26/32 was the best finished board from the consumers' standpoint, but that the manufacturers' difficulties were so great that there ought to be a willingness to accept a board a thirty-second of an inch thinner.

Emphasis was laid by the government experts on this point: that the 25/32 was a minimum below which the industry was to agree not to go. "Inch boards" could and would be made that would be thicker than that; but if the lumber manufacturers and dealers stood by their guns, nothing would be thinner.

With this to work on it might seem as if



TWENTY years ago when this picture was taken the conservation movement among lumbermen was getting under way. Now lumbermen are seeing with such a broad vision that they are concerned with so small a fraction as 1-32 of an inch of a board. Why the change?

Reasons a-plenty: The rights of the home owner to have something better than a paper-shell house; rail rates; building codes in cities far apart; lumber-mill practice; all these are involved in the effort to fix a standard "inch board."

If you doubt that it was 20 years ago, observe the young ladies who are "buggy riding." We may not have standardized women's dress, but we've done a lot on conservation in their clothes since then.



an agreement ought easily to have been reached. In fact, it wasn't. It wouldn't be fair to the industry to say that the "battle of the thirty-second" was bitter, but it was certainly well fought. The retailers led the struggle for the thicker board. They set up the interests of the consumer and took the ground that the manufacturer might by good methods make a board of 26/32 from one-inch green material. As to the "minimum" argument, they held that the inevitable tendency would be to turn out the thinnest board allowable.

For a time it looked as if the conference would be split up by so narrow a wedge as a thirty-second of an inch, but Secretary Hoover, having sat with interest through all the calm and stormy discussion, came to the front with this suggestion:

That the manufacturers and the retailers each appoint a committee of five and that the joint body meet at night in Mr. Hoover's office and try to hammer out an agreement.

This they did and, after a long evening session, reached a compromise. It was decided that the "standard yard board," dry and surfaced, be 25/32 of an inch thick, and that there be an "extra standard yard board" of 26/32 to meet

the needs of certain districts. Not much to argue over—a thirty-second of an inch—and at first thought not much of an achievement to emerge with a compromise; but one who knows how long it has taken to bring about this understanding and how much it means to the home-owner, can appreciate the truth of Secretary Hoover's remark that "The lumber industry and the wood-consuming public are to be congratulated upon this forward step."

What is the interest of the public? This, largely, that the home-builder or home-buyer has had in the past no knowledge of what thickness of board might go into his house. The "paper shell" house is no idle phrase. It has been said that half the inch boards used in the country were not more than 3/8 of an inch thick. Other building industries have led the way in this movement to protect home-owners; cement, brick, tile have all set standards; and lumber has now fallen in line. This

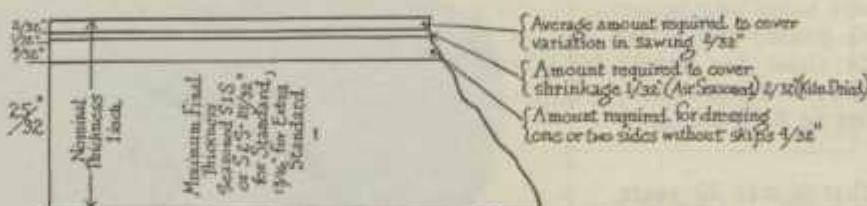
victory for better business practice was by no means won overnight. The Department of Commerce, under the able leadership of W. A. Durgin, of the Division of Simplified Practice, had been working with the National Lumber Manufacturers' Association and its secretary, Wilson Compton, for many months.

In fact, it has been nearly five years since the foundations were laid by the lumbermen and it was nearly two years ago that the first general conference was held in Washington and a Central Committee on Lumber Standards created. That was followed by another meeting in Chicago and a third in Portland before this second Washington gathering which fixed a standard for the inch board.

Secretary Hoover was careful to stress this feature which is the concern of all industry. The conference was government-aided, but not government-ordered or government-controlled. Should it be so inclined the Government might, through the Forestry Service of the

Department of Agriculture, set lumber standards and enforce them by legislation.

One other point should be emphasized. This is only the beginning of a wide program of simplification and standardization for the lumber industry, but as in most things, the first step is the hardest to take.



This Back Breaking Tax Burden

By LEWIS E. PIERSON

Chairman of the Board, Irving Bank-Columbia Trust Co.

THE AMERICAN people are solidly behind the plan to cut \$300,000,000 from the federal tax bill.

They welcome this proposal, not only because of the relief it promises to the burdened taxpayer, but also because they see in it the first step in a program to preserve the prosperity of the United States.

Alone among the great nations of the world this country has come through the inferno of the great war without disorganizing its industries and without unsettling its government. It enjoys, today, a greater prosperity than it knew before the war.

It has, however, one tremendous problem, which it must face and solve, before it can safely rest. That problem lies in the increased taxation and increased government debt which today stand as a disturbing menace to future growth and progress.

We have rejoiced in the strength and resources of our industries. We have taken pride in the fact that they could pay the highest wages in the world to the American workman, and at the same time compete on even terms with the industries of other lands. There is a limit, however, even to the strength of a giant. There is a limit to the load which the most willing horse can draw. There is a point where the handicap imposed on a nation's progress may become so great that progress ceases.

It has been well said that the power to tax is the power to destroy. And the universal demand that taxation be reduced is proof that the American people do not propose that government, whether federal, or state, or local,

MR. PIERSON'S figures ought to give Mr. Everyman a jolt. There are, very roughly, 25,000,000 families in the United States. That's allowing 4 and a fraction folks to a family.

Each family owes, for the Government, \$1,280; each of them pays \$280 a year to pay the interest on that debt and support his governments, federal, state, county, municipal. A big debt and a big yearly bill! And it doesn't grow less.

But cheer up. Some 3,500,000 folks are now on government payrolls, and maybe room can be found for the rest of us.—THE EDITOR.

shall destroy the prosperity which American enterprise has created and maintained.

It is estimated that the national income, the combined earnings of the entire country, amounts to about \$58,000,000,000 a year.

Out of that 58-billion-dollar income, the American public is being asked to contribute more than seven billion dollars to maintain its national, state and local governments.

Out of every hundred dollars that an American earns, he must, therefore, pay 12 dollars to some government official before he can buy anything for himself or for his family.

According to the official figures, there are 41,000,000 people in the United States who are above the age of 16, and who are employed in some gainful occupation and who therefore represent the nation's earning

power. Since the year 1913 the federal, state and local governments have added \$27,000,000,000 to their debt, thus making a total government debt in the United States of \$32,000,000,000.

This means—assuming that the burden of debt and taxation can be evenly distributed—that every workman, every stenographer, every clerk and every mechanic in the country is in debt for his government to the extent of \$787. This obligation must be paid through taxes.

Thus far the people of the United States have been able to pay their taxes, and to pay the interest on their government debts, without damaging their industries, and without imposing undue hardships upon themselves.

But they have no assurance that they can continue to do so.

We could accept the huge tax bill of 1921, and pay it out of the accumulated surplus of former years, in spite of the 1921 slump in industry and agriculture. We were able during that short period of depression to keep our factories running, even though the taxes taken by the Government resulted in actual business deficits.

The thought, however, which we must keep in mind as a nation is that conditions may not always be favorable, that we must not presume too far on our past good fortune and that the tax burden which we can shoulder during prosperous times may prove a dangerous load to carry should we be forced into a lengthy period of depression.

There is only one country in the world which has suffered a greater increase in tax-

tion than the United States. That nation is England.

Expressed in terms of the 1913 dollar, and disregarding fluctuations in currency value, England has increased her taxation 217 per cent since 1913. The United States has increased its taxation 204 per cent. France has increased taxation only 45 per cent and Italy only 9 per cent.

England and the United States, the two great industrial countries which financed the Allies through the war, have laid a tax burden on their own people far in excess of that imposed by any other of the warring countries. Their per capita taxations are not far apart; their rates of increased taxation are startlingly close.

The United States, because of greater natural resources, has thus far been able to meet this increased taxation without too great strain upon her industrial fabric. But England today is paying starvation doles to nearly one million, three hundred thousand of her workmen who cannot find employment.

In the business communities of the United States there is a profound sentiment for immediate tax reduction. The business men who understand the full import of a \$32,000,000,000 debt and a yearly tax bill of \$7,000,000,000, recognize the menace to prosperity which these huge figures represent.

It is not the business man alone who demands tax reduction. The farmer, the workman, the clerk and the mechanic are beginning to understand that taxes play a considerable part in the high cost of living.

Under normal conditions of supply and demand, the man who has anything to sell can pass along the larger part of any tax. Under abnormal conditions, such as exist today in the housing situation in our cities, it is sometimes possible to pass along the entire amount of taxation to the man who has nothing to sell except his labor. Last month in *THE NATION'S BUSINESS* I discussed the part played by taxes in the rent situation in New York and the deplorable moral and sanitary conditions that inevitably result. It is true that rent is only one factor in the cost of living and that other things than taxes go to make high rents and high living costs.

Taxes Keep Costs Up

BUT SOMEWHERE and somehow every dollar of the \$7,000,000,000 which the nation pays each year in taxes tends to increase the price of the commodities of commerce and is consequently reflected in living costs.

There is a ready and direct explanation for much of the increase in the cost of conducting our National Government. It was our National Government which was forced to bear the cost of conducting America's part in the great war. But there is no such easy justification of the enormous advances in the cost of city and state government.

In New York, for instance, the cost of conducting the city government has increased from \$192,000,000 in 1913 to \$353,000,000 in 1923, an increase of 83 per cent, which is five times as great as the corresponding increase in population. The cost of conducting the government of New York State has increased from \$49,000,000 in 1913 to \$114,000,000 in 1923, an increase of 132 per cent.

New York is not alone in her troubles though perhaps hers are worse than most.

The average amount paid out in taxes by each of the 48 states is 12 per cent of the total income of their population. The highest per cent paid out by the people of any state is 17 per cent, which is the proportion of the total income of all of the people of New York State which is paid out by them in taxes to their national, state and local governments.

Thus while the nation pays 12 dollars in taxes out of every hundred dollars it earns, the people of New York State pay 17 dollars out of every hundred.

The National Industrial Conference Board

The Transportation Conference

THE Transportation Conference of the United States Chamber of Commerce is in session as this number of The Nation's Business goes to press.

A notable gathering of transportation executives, leaders of railroad labor, representatives of shippers and of the Government and the public are seeking to draft a program for the country's transportation system, rail and water, which shall serve with fairness to all the interests of the public, the railroads and the shipper.

Next month we shall give a summary of their ideas, and a review of the most striking things said.—The Editor.

estimates that there are in the United States 3,400,000 people on some government payroll and that the actual total payroll cost amounts to \$3,800,000,000. This would indicate not only that every eleven workers in the United States are supporting one person on a government payroll, but it also means that out of every hundred dollars earned in the state of New York nine dollars must go to provide some government salary.

There is one and only one thing which can block the proposed reduction of national taxes, and that is the proposal to provide a bonus for all able-bodied veterans.

If the nation were not already overburdened with taxes, if public finances were in a healthier state, if we were not already paying more than a billion dollars a year to care for the national debt, the public might welcome a chance to show, in some substantial form, further appreciation of the spirit which prompted the youth of America to take up arms in the national defense.

In the present situation, however, it would be a poor sort of kindness for the nation to increase its taxes and swell its debts to provide a bonus for the able-bodied.

Even if it were certain that the nation could pay a bonus and maintain its present prosperity, there would be some doubt as to the real benefit which any bonus would confer on the veteran himself.

The vast majority of the men who composed our military forces were young men. At the present moment a canvass of the veterans would undoubtedly show that by far

the larger part of them are now working for a salary. They represent, therefore, that portion of the public which is the ultimate consuming population upon whom the bulk of every tax inevitably falls. The veteran who received a bonus would eventually be compelled to return directly or indirectly in taxes practically as much as he received.

Even if this were not true, however, there is one added consideration which, if it were generally understood, would put an effective quietus on the agitation for the bonus.

Reference has already been made to the situation in England where today 1,300,000 workers are unemployed and where taxes are only slightly greater than they are in the United States.

Let us suppose for a moment that, from causes we cannot now define, the United States should begin to fall from its present prosperous state into a continued period of depression and hard times.

Let us further suppose that the National Government, through the enactment of bonus legislation and failure to economize, might at the same time be forced to continue or perhaps increase the present high rate of taxation.

We know that during the brief period of depression in 1921 unemployment rapidly increased and federal income taxes were in a vast number of cases paid out of borrowing or past savings instead of out of current earnings. We know that there were thousands of instances where the amount of the federal income tax meant the difference between profit and loss.

Our experience shows, therefore, that reduction in taxes represents, according to the amount of the reduction, insurance against unemployment, and that the more taxation increases the greater possibility there is of slowing down industry and of throwing men out of work.

What false generosity it is, therefore, to offer a bonus to the able-bodied ex-service man, when as a result he will not only be forced to return the larger part of his bonus in taxes, but in addition will be compelled to contribute to conditions which may cost him his employment or, at best, materially reduce his earning power!

Spurious Form of Help

THOSE who seek to capitalize the veteran's patriotism should be looked upon with distrust. The real friends of the veteran are more likely to be found among those who sincerely endeavor to preserve the progress and the prosperity of the country which the veteran took up arms to defend.

The American people will mark and remember those in Congress who indicate by their action on the tax reduction plan that they think more of fancied political advantage than they do of national prosperity. They commend to the attention of the nation's lawmakers the observation of John Stuart Mill that "Overtaxation is quite capable of ruining the most prosperous community."

The flourishing communities of the United States do not propose that overtaxation shall endanger their prosperity.

Rather are they resolved that nation, state and city shall follow in the path of economy indicated by Secretary Mellon, to the end that government itself shall join in the effort of the American public to preserve and increase the prosperity of America.



Illustrated by R. L. Lambdin

Tooters of Tenor Horns

MY DEAR SON:
It was with a great deal of interest that I read your last week's letter about the dismissal of your athletic director.

If I gather the story correctly, the athletics of the college are vested in a board consisting of three members representing the college faculty, three representing the alumni, and three representing the student body. The faculty represents the Board of Regents, which in turn represents the government and people of the state. Thus the administration is one of representative government.

I had read in the papers before your letter came something of the circumstances—that the athletic council had determined to change athletic directors and that the student body demanded the reinstatement of the director, which demand, when passion passed and reason ruled, was modified to such an extent as virtually to endorse the action of the board.

Your recital is interesting because it says that 1,500 students marched to the home of the president of the college and other members of the athletic board, demanding a reversal of the judgment of the board, and that you were among the 1,500 and added to the din by "tooting a tenor horn."

I have no comment to make regarding the merits of the controversy. Of course, you know I am an ardent believer in athletics and that I have regretted the poor showing of the college during the past few years, particularly in football. As an outsider I confess that for two years I have wondered why some such action as this had not been taken before.

Your recital of these college events illustrates so nicely some principles of government

A REAL letter this, from a real father to a real son. It fits not college only, but this world that is so politics-ridden, so fed up with "tooters of tenor horns," with men who are impatient of the orderly authority, who clamor for action of some sort, but what, they do not know.

By **JAMES R. HOWARD**

Former President, American Farm Bureau Federation

A Letter to My Son

and the tenor horn so thoroughly typifies some present-day men and tendencies that I cannot avoid comment. What follows, however, does not remove the possibility that, had I been a student, there might have been 1,501 in the parade.

Principles of Government Involved

GIBBON, in his "Decline and Fall of the Roman Empire," states that "Civil governments, in their first institution, are voluntary associations for mutual defense," and that to accomplish the largest result, every person must submit his private opinions and prejudices to the rule of others. Government in its beginning was cooperative, at least so far as majorities went. Possibly we might now say that governments, whether civil, as states and nations, or institutional, as colleges or universities, are voluntary associations for mutual benefits rather than defense, and that mutual support despite individual opinion becomes of increasing importance as men progress in understanding and as nations and

institutions increase in numbers.

Prior to 1787 the world had known but two general forms of government except for the duration of brief experiments, of which the judges of the Hebrews is possibly the outstanding example. The prevailing form, and the most successful, was the monarchy. The other was the democracy.

The Constitutional Convention was a convocation of notable minds. There were present among others Washington, Franklin, Hamilton, Madison, and the Pinckneys. Upon the conclusion of their work Pitt said that the Constitution of the United States which they had drafted would serve as the model for all future governments.

After the new government had already stood the test of a century and a third, another English statesman, speaking at New York, said that the men who drafted our Constitution knew more of the principles of sound government and the histories of nations than any other body of men ever assembled in the world's history.

Time and the rush of events seem to have dulled our appreciation of the great work of these men. For five full weeks they met in daily discussions without phrasing a single sentence. The notes of the convention and the subsequent discussions in the Federalist plainly show that these men, exceedingly bitter as they were to the old form, nevertheless considered a monarchy with far more favor than a democracy.

If you will consult the Fourteenth Federalist (I am quoting from memory), you will find the statement that every democracy in the world's history had met a sudden and violent end. They recognized a democracy as a mobocracy. If you will refer to your lexicon, you will find that they were correct. A



democracy is but a short step from the mob. It all came to me as you wrote of your manners and demands accompanied by the "tooting of a tenor horn."

What was accomplished was the establishment of a new form of government, not monarchical, not democratic, but a representative government—a republic. The people in regularly constituted manner elected those best fitted to be their representatives, and these representatives were to be set apart from the passion of the mob to follow reason's rule. We are not a democracy, but a representative republic.

And that is just what your athletic government is if I have read your letter correctly—a representative institutional control vested in members of the faculty, alumni and student body. Your demonstration was a democratic outburst participated in by a great number of students.

Majorities Often Are Wrong

BUT JUST as Washington, Franklin and Madison pointed out long ago, majorities are more apt to be wrong than right because they are moved by passion and prejudice rather than by reason. Hence, it was interesting to learn that when an understanding was reached, the judgments of your representative body were accepted.

Just so has our national progress been greatest when we have most closely adhered to the principle of the fathers. Lately it seems that we are prone to forget our heritage and join in demonstrations characterized by the "tooting of tenor horns."

A few years ago there sprang up a demand in many parts of the country for the initiative and referendum, not only in states but as a national policy. This was all discussed in the Constitutional Convention and was rejected because of the impossibility for voters to get intelligent information even were they inclined.

Just now the farmers are under great financial stress. The solution of the difficulty is not in legislation; but if it were, would you refer it to the waiters in the restaurants on

Broadway, or to the hairdressers on Michigan Boulevard, or to the women of Peacock Alley?

The great majority of people do not even know their own best interest; and until they do understand not only the details of their own interests but the fundamentals of all industries and lines of business, the initiative and referendum would be but a means of dangerous political manipulations. Its advocates are "tooters of tenor horns."

Following the 1920 deflation in money and price there sprang up an insistent demand from all over the country for a printing press inflation. A great manufacturer and a world-famed scientist approved the suggestion. My mail every day had many letters of endorsement of some phase of inflation. A merchant from Ohio proposed printing press money to complete paved roads into his town. A farmer from Kansas suggested a similar issue to substitute for all taxes; a North Dakotan proposed fiat money to export wheat; a politician would issue currency to complete the Muscle Shoals project to enable us to get cheaper fertilizer.

Nothing new in it all. Henry VIII debased the coin of the realm to meet the price of his dissipation. The suffering of the people which resulted had a very great deal to do with the colonization of America. The theories of John Law and the latter's issues of assignats were at least partly responsible for the French Revolution.

Our own nation had an unsatisfactory experience following the Civil War with its Greenback issues. Germany and Russia are recent examples. And yet men very intelligent in most respects grab at a fleeting cloud-thought and without analysis give vent to unsound economic vaporings—"tooters of tenor horns!"

You have recently observed some public groups and individuals again proposing to submit to the people the privilege of setting aside the findings of our courts. Nothing new in this. Washington and Madison and Hamilton and Franklin were probably better equipped to decide this than any group which

could be now assembled. They discussed it fully, and their conclusions are written in the Constitution of the United States.

How absurd to think of Willie Dunn and Al Norman and myself putting our ballots against the learnings of eminent scholars and jurists! What an invitation to chaos and calamity! The Constitution has brought prosperity and demands more attention and respect than it seems to be getting.

So, I might go on enumerating instances of "tenor horn tootings." Government ownership is one of them, and a dangerous one. Governmental price-fixing is another. Certain agitation for changes in election laws which add to the difficulty of the voter in getting a line on his candidates is within the classification. The demand for equality of reward rather than equality of opportunity is an insidious one. They are seemingly without end.

Permanent Gains Come Slowly

JUST as the authors of our Constitution avoided on the one hand the monarchy with its oppressions and impediments and on the other hand democracy with its besetting dangers, and builded on the great middle ground between the two extremes a representative government, a constitutional republic, so we find in most affairs of life the middle ground is safest. Permanent gains are usually slowly attained and always along well-tried channels—not untried or devious routes.

Your athletic situation will improve. I hope your teams will soon be winning again with their old-time frequency. If they don't, get new representatives, give them your confidence, and junk the horn.

By the way, I got interested in tenor horns and went to the largest music store in Chicago to learn the function of the tenor horn in the band. They had plenty of other instruments in stock but no tenor horns, stating that there is no tone which cannot be better produced on some other instrument. This is encouraging. I hope all our unnecessary tootings may soon cease.

Affectionately,
Dad.

The Troubles of a Chamber in China

Oriental Bandits and American Sharpers

NEWSPAPER readers in the United States, who read accounts a few months ago of the wrecking of the Shanghai-Peking express by Chinese bandits and the carrying off of the foreign passengers into the mountains where they were held for ransom for several weeks, may have noticed that a relief expedition had been organized by the American Chamber of Commerce of Shanghai and wondered that an American commercial organization, located away out on the eastern coast of the continent of Asia, should have been permitted to establish a relief station in a little mining village in the heart of Shantung Province. Well, in spite of treaties this is exactly what happened and as such provides an interesting side-light upon the varied and often difficult, but always interesting work of at least one American chamber of commerce located in a foreign land.

I believe there are now some 40 American chambers of commerce scattered about the world and the American business man at home may wonder at what an American chamber of commerce in a foreign country does. The writer has been either secretary or honorary secretary of the American Chamber at Shanghai practically since the body was organized in 1915, and while I was in America several months ago I think the question I had to answer most had to do with the reasons for an American chamber of commerce in a foreign land.

This Chamber, which was organized on June 9, 1915, was one of the first American chambers of commerce to be organized in a foreign land. I believe that I am correct in stating that after the venerable American Chamber of Commerce in Paris this was the first American chamber abroad to affiliate with the National Chamber at Washington.

When I was in Washington during 1921, I spent a great deal of time in the offices of the National Chamber and gained some idea of the workings of that body and the result has been closer cooperation. Here is just one example: It used to be our practice, when some special problem developed affecting American trade or interests out here, for a body of Americans to get together and draft some kind of resolution of protest or approval and hand it to our local American consular official with instructions for cabling to the department involved. We have discovered that we get better action when we also ask the National Chamber of Commerce to take up the matter personally with the Government.

As I have said, this Chamber was formed on June 9, 1915, and the first official action of the Chamber in respect to a problem affecting American trade and interests in this part of the world was taken on September 20 of that year. This dealt with two very important problems; the first being the La Follette Seaman's bill and the second being the enforcement in Shanghai of the British Enemy Trading Act, and an accompanying regulation requiring all American firms and ships to submit to the British consular authorities their invoices.

These were the problems of American mer-

THE WRITER of this article tells some of the peculiar circumstances and practices with which the American Chamber abroad must cope and how its unusual functions are performed.

While traveling on an assignment for the "Chicago Tribune," for which he is a correspondent, Mr. Powell was captured on a train near Lincheng by bandits and with other foreign captives taken to a point about fifty miles west of Ichowfu, in the heart of the Shantung Mountains. The Chamber and Mr. Powell played a prominent part in their rescue.

John B. Powell,
Secretary
of the
American
Chamber of
Commerce
of Shanghai



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The president of the Chamber is J. Harold Dollar, son of the famous head of the Dollar Line. He has grown up in his father's oriental organization.



By J. B. POWELL

chants in China in the early days of the European War and give the real reason for the organization of an American chamber of commerce out here in Asia. In those days America was a neutral nation and the American merchant in China was caught in a veritable maze of conflicting enemy trade regulations, British, French, Italian, Japanese, and Russian. No wonder the Americans got together for self-protection.

Consul's Roof Falls In

GOING over the old minute books of the Chamber I find certain subjects recurring with painful frequency. One of these subjects is the matter of housing the American consulates in China and providing proper pay for consular officials. A few days ago the newspapers in Shanghai printed an account of the American consular building in the town of Antung, in Manchuria, which collapsed and nearly killed the American Consul, his wife and two children. The building which the American Consul occupies as the residence and office of the official representative of the great and wealthy United States of America is a little brick, mud-walled building. It seems they had been having considerable rain in Antung recently and the mud walls of the building simply melted away and the roof fell in.

The newspaper report said that the American Consul was unable to find another suitable house in town so the Chinese Commissioner of Customs took the American Consul and his wife and two children in out of the rain and so far as we know they are still living with him.

This is not a lone case. The building occupied by the American Consul General in Shanghai has been condemned by architects and being on the very bank of the Whangpoo River there is constant fear that the building will fall in the river sometime when we have

a typhoon. There is another consulate in one of the cities of southern China which is so near the seashore and on such low ground that at high tide, in case the wind is with the tide, the lower floor of the building is flooded.

I cite the foregoing as one of the questions which the American Chamber of Commerce always has before it. Every year memorials are sent to the State Department and to Congress asking Congress to appropriate money for the purchase of land and the erection of suitable consular buildings, but the appropriation is always struck out of the bill. The result is that the United States Government is forced to rent buildings for the housing of its consulates in the various Chinese cities usually from Chinese landlords, and in very few cases indeed are the buildings suitable.

Another problem which we have "always with us" is that of payment of American consular officials in this field. Although there has been great improvement in recent years, the Government still experiences difficulty in keeping good men on account of the low salaries. In addition to the low salary there is very little provision made for home leave. I know cases in China where the American Consul was forced to return home with his family by second-class passage owing to the fact that the Government did not allow travelling expenses for the consul and his wife. Practically every large American company doing business in China provides for home leave for the members of its staff at least once in every three or four years.

Some idea of the growth of our Chamber is indicated in the records of the first annual meeting held on March 7, 1916. According to the secretary's report the membership in the Chamber consisted of 34 American firms and 28 American individuals. I think the Chamber now has a membership of at least 150 American firms and possibly 300 individuals. And in addition to the Chamber at Shanghai there are now American chambers in practically all of the large Chinese cities and a central organization known as the Associated American Chambers of Commerce in China has been formed which holds an annual meeting in Shanghai.

One of the unusual problems with which the Chamber had to cope during the European War was that of the Chinese boycott against Japan. After we had worked many months trying to conduct American business through the maze of enemy trade regulations along came the Chinese merchants who declared a boycott against all Japanese merchandise. On the face of it this should not have affected American trade in China except on the favorable side. But this is how the boycott hit us. The La Follette Seaman's Act eliminated American shipping from the Pacific and since most of the British shipping had been commandeered for war purposes on the Atlantic and in the Mediterranean, Americans were dependent upon Japanese ships in getting cargoes from the United States to China and back. There was one period of nearly six months during the European War when there wasn't a single American flag in the Shanghai

harbor except those on the private steamers of the Standard Oil Company.

In spite of preference which the Japanese showed for their own nationals we did manage to get some cargo in and out of Shanghai on the Japanese ships—and then came the boycott.

When the committee of the Chamber of Commerce held its meeting to discuss this problem the remarks passed at that meeting regarding the wisdom of certain lawmakers in Washington in driving American shipping from the high seas would not bear repeating here. The annual report of that year had many things to say regarding the need for American boats on the Pacific, and it also had a great deal to say about certain practices of the Japanese in transshipping American cargoes at Kobe and leaving our stuff over there to rust and deteriorate while they filled the orders with Japanese cargoes.

Another problem that came up along about that time had to do with certain questionable practices of some American firms, for it must be said that the American Chamber not only has its troubles with merchants of other nationalities but also has to smooth over troubles which other nationals have in dealing with American firms. Chinese merchants came to the Chamber with a complaint that American firms were profiteering on shipments of iron and steel. When asked to produce their proof they showed that certain American firms of not very high standing would make contracts with Chinese firms for say, steel plates, to be delivered at a certain time and at a certain price. When the steel arrived the price usually had gone up, so the American firm would notify the Chinese dealers that only a small portion of the shipment had arrived, but that they "had received another shipment on open order" which they would be willing to sell to the Chinese at a considerable advance.

Naturally this raised the very devil until

American Consul served to stop this.

Practically ever since the the Chamber was organized we have carried on an agitation to encourage American manufacturers to place all of their agencies out here with American companies. We got a good lesson on this subject at the beginning of the European War in the British Colony of Hongkong. When



J. B. Powell, as he arrived in Tsanchang on parole. Inset of Pres. J. Harold Dollar



Caravan of sedan chairs bringing the foreign prisoners out

upon investigation we found in some cases the local managers of the American firms were doing this on their own account and pocketing the difference, the head office of the firm in the United States being none the wiser.

A little publicity and a conference with the

exposed to the tender mercies of their competitors.

Our campaign to educate the American manufacturer to place his agency in the hands of an American firm has received the support of the Department of Commerce at Washing-

ton to such an extent that we hear very few complaints at the present time about foreign firms taking on American agencies for the purpose of killing the sale of competing American products.

We found one case in Shanghai where a non-American firm carried an agency of a well-known American marine engine and advertised it extensively. It developed, however, that when a Chinese customer went into the office of this firm to purchase one of these American engines he was always sold an engine of the nationality of the firm. A few of the American engines were sold—enough to satisfy the home manufacturer who knew practically nothing about this field—but nothing like the number that should have been sold had there been honest cooperation.

In the field of American advertising in China we found many abuses, not all of which have been entirely eradicated. We found one case where a man induced an American manufacturer to place a large advertising contract out here amounting to several thousands of dollars. Then the agent, not an American, went to a little Chinese newspaper and placed the whole contract with the newspaper for a sum of money about one tenth of the American appropriation. He then had the newspaper publisher make out a fake statement covering the whole amount and pocketed the difference.

One recent case of charge of bad business practice against an American firm had to do with the purchase of a number of motors for use in phonographs. A Frenchman in Shanghai opened a factory here for the manufacture of phonographs and placed an order with a concern in Chicago for several hundred dollars' worth of motors. He saw the name of this firm in some magazine and without



Coolies carrying load from the Chamber's station to prisoners in the mountains

making any inquiry sent along his draft for a considerable number of the motors.

Practically a year had elapsed when he came around to our office to see whether anything could be done. We referred the case to one of the commercial organizations in Chicago and the difficulty was straightened out. It seems that the Chicago manufacturing concern with which the order had been placed had gone into bankruptcy as a result of which the order could not be filled.

And then we have had with us the subject of American oil stocks. Several promoters from the Arkansas, Texas, and California fields, not content with fleeing the American public, apparently desired to extend their activities overseas and suddenly the Chinese newspapers were filled with page advertisements offering untold fortunes to those who would invest their money in American oil stocks. The Chamber investigated one or two of the propositions and found them bad, but unfortunately there is no law applicable out here whereby the promoters of these stocks could be brought to account.

Warning Against Oil Swindles

WE WERE finally successful in discouraging the promoters by inserting a notice in all of the Chinese newspapers urging possible investors in American oil stocks to make investigations before purchasing by writing to the Department of the Interior at Washington for information regarding the various oil fields of the United States. Since the Chinese investor is probably the most conservative and cautious in the world this little notice effec-

tively put a stop to the sale of questionable American oil securities.

Reference to the above case of oil stocks leads to the general question of machinery for the incorporation of American companies in this part of the world, a question which has been before the Chamber since its inception and which has bothered American business men out here for many years previous to the organization of the Chamber.

Up to 1921 if an American company desired to incorporate for the purpose of doing business in China it was forced to use the laws of any of our 48 states or territories, none of which is adapted to foreign trade purposes and practically all of which are conflicting. The result has been that if a group of Americans out here desired to form a company for purposes of engaging in business in China they practically were limited to the incorporation laws of certain states such as Delaware, New Jersey, Arizona, the Territory of Alaska, etc.

Since these laws are very lax from the standpoint of protection offered to investors the result has been that American corporations have had a rather bad name in this part of the world, and bankers, American as well as British, Chinese, or otherwise, simply had no confidence whatever in an American charter. Unless the promoters of the company were known personally, the charter carried no weight.

To remedy this situation the American Chamber worked for years to induce Congress to pass a Federal Incorporation bill that would permit American companies to incor-

porate out here under proper safeguards directly under the laws of the United States Government. Finally the Chamber sent a delegation to Washington which labored with Congress for practically two years before the China Trade Act was finally passed, and then the Senate inserted certain restrictions in the final draft just before passage which made the law of very little use to us out here, unless it can be amended.

I do not want to give the impression that all of the work of the Chamber has been devoted to unscrambling difficulties with other foreign merchants that do business out here. A great deal of our work has been devoted to the more important matter of cooperation. During the latter part of the war the American, British and Chinese chambers of commerce got together and formed a Business Club which is still in existence and which provides a meeting place not only for business meetings but also for social gatherings.

Pinch Hitting in China's Weakness

WHAT I have said here will serve to give some idea of what the American Chamber of Commerce in China does to justify its existence. Our problems here are much diversified, owing to the peculiar international situation and many of these problems are aggravated because of the weakness of the Chinese central government. When China finally develops a stable government many of the semi-governmental and administrative functions of our Chamber will be taken over by the organs of the Chinese government as is the custom in other sovereign lands.

The Enigma of Warren Stone

By JAMES B. MORROW

WHAT IS in the mind, dominantly, of Warren Sanford Stone? A good many men are curious to know. Some of them are leaders of labor, like himself. Others, no doubt, are locomotive engineers, also like himself.

Nor are railway presidents entirely unconcerned. True to their instincts, a large company of American demagogues are narrowly watching Chief Stone and other minor chiefs for a signal to jump, or, at least, to straddle, until they deem it safe fearlessly to decide what to do in their own behalf.

So far, Warren Stone has had all of them guessing. It is no more than reasonable to think, however, that Chief Stone has a programme.

But what is it? One answer is: He has fallen under the influence of library and classroom economists, who are luring him unsteadily toward the bogs and jungles which skirt the impossible Elysium. Still another answer is: He sees the sixteen organizations of railway workers brought together into a single brotherhood and himself at the head of it—the one big man in transportation. But the most surprising answer is: That he is ambitious to be a beacon in public office and politics.

Whatever the correct reply may be, another question intrudes and challenges an answer: Will the heretofore wise and powerful Brotherhood of Locomotive Engineers follow their chief, no matter where he leads? In reply, this can be said affirmatively: The locomotive engineers are the most loyal body of workers in the United States—to their chief. And the most generous in their minds to their chief, and the most liberal toward him with their money.

Yet, negatively, to the inquiry which in-

trudes and challenges, it has been said that the locomotive engineers are the most prudent, thoughtful and reliable of all organized workers. The most trusted, therefore, and the most respected. Thousands of them are property owners. Scores of them are mayors or town councilmen. Not a few of them are shareholders in banks and manufactories. Everywhere, singly and as a class, they are esteemed as neighbors and regarded as sober and useful, and even as romantic, members of the communities wherein they live.

Locomotive Men Notably Prosperous

THEY were, speaking now in the past tense, unrelated to the troubles and ferment which agitated other categories of wage-earners; more prosperous also. And invariably less controlled by the spirit of belligerency. Under their jumpers were good clothes. On their feet were fine boots and shoes. In their fob-pockets were gold watches, attached to which were solid chains. They smoked cigars when off duty; and ate at restaurants, while on the road, and not out of buckets.

Boys in the villages through which they passed, seeing them fleetingly through cab windows, envied them and hoped to emulate them when they grew up. Has the aroma of those days gone and will it never again give quality, romance and distinction to a dashing and honorable occupation?

On the surface of matters it would seem so. But beneath the veneer now being spread by Chief Stone over his great brotherhood is the sound framework of its history, achievements and principles.

Until the summer of 1913, it had been the

policy of the engineers not to concern themselves in the disputes and contests of other railway workers with their employers. Laconically, their doctrine was: "We are militantly interested only in ourselves." Peter M. Arthur, their chief from 1874 to 1903, had expounded that doctrine. In fact, he had originated it. Naturally, he was an aristocrat. Locomotive engineers, he thought, constituted a superior class.

"You appear to be desirous of creating an aristocracy of labor," a railroad president said to him in New York many years ago. A man who heard Arthur's reply to the president told me that Arthur said, calmly and with dignity: "If persuading Americans to pay their debts, to keep away from saloons, to become taxpayers, to be good citizens and to understand their responsibilities as heads of families means that we are trying to form an aristocracy of labor, then the Brotherhood of Locomotive Engineers pleads guilty to the charge."

It was Peter M. Arthur who gave the engineers their composure and character as an organization. Born in Scotland, coming to America at six years of age, he was, while a boy, a blacksmith's helper in the shops of the New York and Harlem Railroad Company. He was running an engine on what is now the main line of the New York Central, at the time (April, 1863), that a small company of engineers met at Marshall, in Michigan, to talk over their grievances and to discuss unity of action.

W. B. Robinson, the real founder of the engineers' brotherhood, stating the causes which led to the meeting, said: "The disposition manifested on the part of the superintendent of motive power on the Michigan Central Railroad to wage a remorseless war upon the

best interests of labor, and especially his encroachments upon the established rights and usages of the engineers in his employ, and the reduction of their wages, had at length become insufferable, and the engineers as a class had become satisfied that the safety of their positions and the security of their pecuniary interests demanded a unity of purpose and combined and organized action."

"Brotherhood of the Footboard," was the name chosen by the little group of engineers who met at Marshall. Robinson was denounced as an agitator and discharged from the employ of the Michigan Central Railway by its superintendent of motive power. Divisions, as the local unions were called, were quickly organized in Michigan, Illinois, Indiana and Ohio, and in August, 1863, these divisions were joined into a grand national division and Robinson was elected grand chief. Thus began the Brotherhood of Locomotive Engineers, sixty years ago.

Robinson, as has been said, lost his employment on the Michigan Central Railroad. A year later, he was not only deprived of his office in the brotherhood but was even denied admittance to the annual convention as a delegate. The engineers had learned that he was irregular in his private life, and, much as they owed him, practically expelled him from their brotherhood. Charles Wilson succeeded Robinson as grand chief.

At the third annual meeting of the grand division in Rochester, N. Y., Wilson, describing the brotherhood, said: "The objects of this organization are mainly to improve the condition of the locomotive engineers, first, by insisting that they must be men of good character and that the practices which have been common since the commencement of railroading in this country, such as drinking to excess, or being guilty of improper conduct that would tend to injure their reliability as engineers, or their character as men, must be abandoned, or they could not be members of this organization." Charles Wilson remained at the head of the brotherhood for ten years, or until 1874.

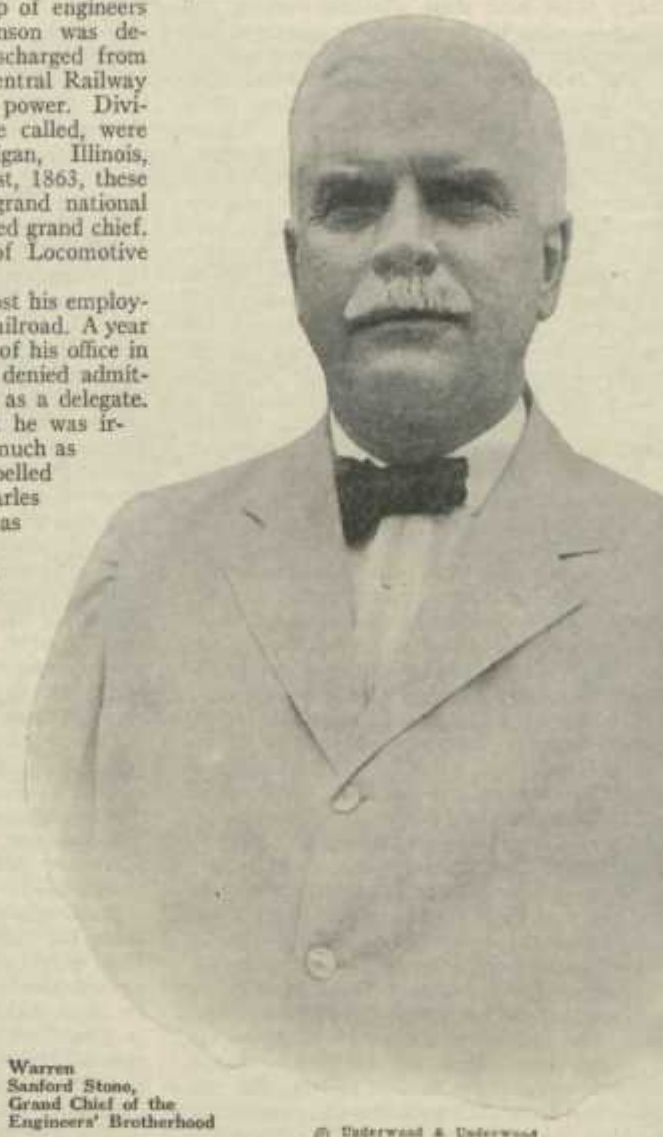
Every president or chief of a national organization of working men is surrounded by other men, officers like himself, who constitute what is commonly known as his "administration." Samuel Gompers, for example, has an administration, and when Samuel Gompers is up for reelection to the presidency of the American Federation of Labor, the members of his administration electioneer for him (and themselves) and are loyal to him between elections.

Early Leaders Conservative

HIS FALL would mean their fall and so, commonly speaking, they stand by him. Chief Stone's administration publicly (and privately, no doubt) approve all that he does and recite all that he says. He starts the tune.

They now deny, members of Chief Stone's administration do, that P. M. Arthur was a conservative man. "Why," one of them said to me not long ago: "We (he was then himself running the fastest train on the Chicago and Northwestern Railroad) elected Arthur grand chief in 1874 because he was a progressive and believed in strikes; Wilson didn't."

So little did Peter M. Arthur believe in strikes and so strongly did he believe in arbitration that other labor leaders questioned his sincerity and some even his integrity. But the engineers themselves knew that he was an honest man and were proud that through thrift and good business ability he could live in a fine house and drive a carriage. And so was Peter M. Arthur just as proud of his engineers.



Warren Sanford Stone, Grand Chief of the Engineers' Brotherhood

railway shopmen in all parts of the country having started a strike, which was being lost, said: "Our men (engineers) are not expected to work under such conditions as now prevail at many railway terminals, shops and yards. I am telling them, then, that wherever their lives are endangered by guards (protecting railroad property) they should go home and stay there."

Two days thereafter (August 10, 1922), notice was served on the officers of the Santa Fe Railroad by committees of engineers, firemen, conductors and brakemen that no more trains would be moved from Needles, Calif., until all guards were withdrawn from shop towns. Trains were immediately stopped, where they stood—passenger trains carrying men, women and children; in the heat of August, on the deserts of the Southwest. A Santa Fe official describing this abandonment called it "a lawless and inhuman violation of contracts."

The engineers were not concerned in the strike of the shopmen, except sympathetically. P. M. Arthur would never have sent such an order as Chief Stone sent; an order leaving innocent persons marooned hundreds of miles from home and suffering from a scarcity of food and water. Nor would P. M. Arthur ever have countenanced the breaking of a contract.

Also from Cleveland went another order, the moment that trains were brought to a standstill on the deserts of Arizona.

It was from William G. Lee, chief of the Brotherhood of Railway Trainmen and peremptorily commanded the members of his order to return to their employment.

The "walkout" was unauthorized, he said. "The regular procedure in the settlement of disputes," he telegraphed, "should be carried out before any suspension of work." It was such a message as P. M. Arthur himself would have written.

My own acquaintance with Chief Arthur covered many years. The atmosphere of his office in Cleveland was like that of a bank. He was a Scot, through and through, rugged

His Union Journal Sponsors Socialistic Doctrines While He Buys Banks and Mines

but diplomatic, shrewd but kind-hearted, silent when language was unnecessary.

At his death in Winnipeg, a summons was telegraphed to Warren Sanford Stone in Iowa. The engineers, prudent, testing bridges before they attempted to cross them, appointed Stone to the place held by Arthur. The following year, at Los Angeles, they elected him. That was in 1904. He was reelected in 1912 and again in 1918, for a term of six years.

Record Shows Accomplishment

FOR TWO decades, then, he has been the chief of the Mexican, Canadian and American locomotive engineers, for the brotherhood is now international, instead of national. Soon after his election at Los Angeles, I said to him: "The policy of the brotherhood has been to attend to its own business and to keep out of entangling alliances?"

"That is an accurate statement of our position," he answered. "We are condemned for our lack of sympathy with other labor organizations and so on but we reply 'Look at our results.' We should be in trouble all the time," he went on to say, "if, for instance, we

What Charles Wilson said about character at Rochester, was repeated by Arthur and lived by Arthur for twenty-nine years. Reelection after reelection came to him, practically without opposition, from 1874 to 1903. The engineers met, in the latter year, at Winnipeg, and presented to him a locomotive made of flowers. He arose to thank them for their spirit as expressed by the gift.

"Out of the fulness of the heart the mouth speaks," he said. Then he paused. "I want to say a few things," he continued, his voice low, "as these may be my parting words to many of you. We are here tonight, no one can tell—" Death came instantaneously where he stood, and he fell to the floor. "Heart failure, due to overemotion," said the physician who was called.

So he died, his counsel unuttered, but every engineer in the audience knew what Peter M. Arthur would have said. And those who live, know it now. It was, using rougher language than he would have used: "Be men and mind your own affairs."

Yet ten years later, almost to the day, Warren S. Stone, from his office in Cleveland,

should refuse to haul 'unfair goods,' or the products which come from factories, mines, etc., where there are strikes. We are constantly bettering our wages and conditions and, therefore, point to our achievements as a justification of our policy."

During the same conversation Chief Stone said that "common sense" and a "quick and reliable mind" were the essential qualities of every successful engineer. Common sense, first. Then a hair-trigger and center-shot intellect. He spoke as Arthur would have spoken in those days.

Forming the Big Four

THERE was no public departure from the long-practiced principles of Arthur until the summer of 1913, when the locomotive firemen, William S. Carter, their chief, met in Washington. Stone, of the engineers, and Austen B. Garretson, of the conductors, suddenly, almost secretly, appeared at an early morning meeting of the firemen. Each had the same message: Confederation of aims and efforts by the four brotherhoods of railway trainmen—engineers, conductors, firemen and brakemen.

Since then the "big four" have loosely worked together. They stood together during the World War, and after. They put laws into the statute book of the United States. They sat in the galleries of Congress and sternly watched Senators and Representatives shiver and quake under their eyes. They went before legislative committees and out-talked the lawyers of the railroads; and Garretson, quoting the Scriptures, ancient and modern history and the classics, left one group of listening Senators speechless and benumbed.

Has the smell of blood gone to Chief Stone's head? A member of his administration says: "Ah, but you must remember that times have changed." Thus he bids farewell to Arthurism and the past. This man said, inspired, no doubt, by the master mind at the headquarters in Cleveland: "No, we are not socialists. We think the railroads should be bought by the National Government and then democratically operated."

Operated by the engineers, conductors, firemen and brakemen (giving the other twelve railway organizations a "look-in"), with the help of representatives of the public, chosen by the politicians! Yes, sir; that's the ticket; anyway, at least, a part of Stone's ticket.

The Changing World

NOW STONE is an observing man. He often visits Washington. He saw, years ago, in Washington, a great body of docile and brow-beaten government workers. Smith, in the Treasury, let us say, called on the Congressman from his old-home district in New York, or Indiana, or Michigan. Smith, hat in hand, standing up, his eyes on the floor, would say, his voice weak and his heart like a sheep's: "Congressman, I have worked hard and faithfully for many years and have come to ask if you will please help me get a small raise."

And Stone knows just what sort of shrapnel whizzed over poor old Smith's head.

"The devil you have," Smith's Congressman would bellow. "Haven't you got a job? Ain't you satisfied? There's a thousand men in my district who'd like to have your place, who are dyin' to have your place, for less money than you get."

But by and by the government clerks "organized" and got Samuel Gompers for a shelter. Stone saw them do it. So that now when Smith, in the Treasury, calls on his Congressman, he gets a chair and a cigar, because back of Smith, supposedly, are all the carpenters, barbers, bricklayers, teamsters, shoemakers, painters, paperhangers, black-

smiths, coal-diggers and iron-workers in the old home district.

Any free-handed diagnosis of Warren S. Stone should begin in Iowa, where he was born in 1860; on a large prairie farm. But corn was a drug in the market and pigs were hardly worth slaughtering, except for fire-side consumption. Stone and his brothers could see the freight trains and passenger trains on the Chicago, Rock Island and Pacific; could hear their whistles, coming and going—coming from Somewhere and going into the beckoning and mysterious Beyond.

The brothers, lured by the railroad—and the whistles—presently, were getting their wages at the pay-car each month. Warren Stone, however, and the fact is important, had hit upon the law as a profession. Why? Every man who is a lawyer can, if he will, answer the question. Leadership, oratory, publicity, juries, and the stump would probably be mentioned. The visions of youth often are never obliterated. They live, though their form may be changed somewhat. It is worth remembering that Warren S. Stone, in his boyhood, meant to be a lawyer.

But the letters of his brothers struck a note in his soul that he had never felt before. So Warren Stone became a fireman, and four years and six months thereafter he had an engine of his own.

A Job With Advantages

FROM the year 1913, when he met the firemen in Washington, to the present, he has found that leadership in the world of wage-earners and of radicalism is both easy and pleasant. Easy, because the engineers stand first among labor organizations in power, reputation, dignity and resources; pleasant, for the reason that the elements which hope to see the old order of industry, the old arrangements between capital and labor reversed, regard him as their best and most respectable bet and are hinting to him wondrous things about himself and the speeding years to come.

There sits now in the editorial chair of the *Locomotive Engineers' Journal* a man who studied for the ministry at Yale but who, renouncing the pulpit, turned writer and "news" distributor for communistic and bolshevistic periodicals in this country, Germany and Russia. The journal is a part of Chief Stone's administration. In it, the 80,000 members of the brotherhood are finding and reading contributions from such socialists and communists as Miss Schneiderman, the "Red Rose of Anarchy"; John Fitzpatrick, who, with William Z. Foster, managed the steel strike; Fannia M. Cohen, J. B. Salutsky and D. J. Saposs.

Two years ago, in Europe, a movement was organized to teach socialism to the wage-earners of the world. The Workers' Educational Bureau of America has joined the movement. Chief Stone's *Engineers' Journal* has announced its support of the organization and of its efforts to establish colleges for workers in all parts of the United States, like the one opened in 1921, on an estate not far distant from the city of New York. This experiment, known as Brookwood Workers' College, has A. J. Muste as chairman of its faculty. Muste is a radical writer and, until recently, was secretary of the Amalgamated Textile Workers' Union, which was described by the Lusk Committee of the New York legislature as being "based upon the class struggle," and which "repudiates the conservative organization of trade unions" and "whose purpose is to bring about the seizure of industry by the workers."

"There are two reasons why every railroad worker in the country, and especially engineers," said the *Engineers' Journal* recently,

"are vitally concerned in this sort of education. Whether the next few years bring us to outright government ownership and operation of railroads or some wiser form of joint control, . . . much greater responsibilities than any we have yet known must be assumed by the railway men of America. We must be prepared by an advancement in knowledge and education to meet the obligations of that day. Secondly, the spirit of the brotherhood itself is the spirit of education—of elevating the whole race rather than making a few greedy giants."

The words, "some wiser form of joint control," seem for the moment tentatively to answer the question with which this article began. Joint control means committee control.

Aims at Amalgamations

IN THE meantime, Chief Stone's administration is urging the amalgamation of the four big brotherhoods. Three chiefs, then, and their own administrations would disappear into the limbo of other played-out persons and things, and one chief and his administration (Stone and his lieutenants) would have suzerainty over conductors, firemen and brakemen, as well as control of the engineers.

Will the conductors, firemen and brakemen agree to such a subordination and thus publicly and officially confess their own inferiority? Probably not. Indeed, some of the leaders of the three brotherhoods are saying that they are opposed to the Government's owning of the railroads; that, in fact, they would prefer to deal with the business men who do now and will manage the roads, than with politicians, cowardly and unprincipled as many of them usually are.

The complexities of Chief Stone's surmised programme, of what he is up to and driving at, are increased by the national banks and trust companies organized and acquired by the engineers, and the coal lands and mines purchased by him and several brethren in the brotherhood.

The engineers as a body have become, in truth, big business men and daring capitalists. They own two skyscrapers in Cleveland and are constructing a twenty-two story building for their national bank. Their trust company in New York is increasing its deposits at the rate of \$2,000,000 a month. Moreover, they have organized The Brotherhood Investment Company, under the laws of Ohio, and are issuing \$10,000,000 of 7 per cent cumulative preferred stock and 100,000 shares of no-par-value common stock.

Lets Others Talk

WHAT does it all mean? Does Chief Stone's scheme include the nationalization of coal mines and banks, as well as of railroads, and their operation by workmen, who will fix their own wages and their own hours and conditions of employment?

In the dress parades of brotherhood chiefs before committees of Congress, Warren Stone has never been personally or orally conspicuous. He has let the Carters and Garretsons do the cavorting and talking. Rarely does he make a public speech or circulate a public statement. Samuel Gompers is supposed to be the leader of American labor; actually, is he? And if he is, how long will he so remain? Is Warren Stone, with the touch of Midas, and the wizardry of Morgan, the elder, to create a trust that will out-Rockefeller and out-Gary all of the other trusts in the world?

Or is he running past semaphores which common sense (and all engineers ought to have it, he says) has set against his wild and flaming train?



Trade Tales of the Vikings

By FREDERICK SIMPICH

SCANDINAVIA! A name to conjure with! How it hints at Vikings; at sagas and smoked fish, at Swedish massage, buxom blondes and bare-legged gymnasts; at Ibsen, skis and cod-liver oil; at the realism of Knute Hamsun, at fiords, glaciers, midnight sun, and dirt-hating chambermaids in Minneapolis. At Magnus Johnson.

Only a speck on the world's map, Norway, Sweden and Denmark, this chill damp trio of kingdoms that march north from Hamburg, wading icy seas, rubbing shoulders with Lapps, seals and polar bears.

Yet five, six—maybe seven thousand years before Christ was born, when even the Baltic Sea was still a fresh water lake, men lived and worked here, carving trinkets from elk-horn, chipping their tools from stone. Even before the Romans saw the North Sea, these hardy folk knew the use of iron and bronze and built sturdy seagoing boats of an old pattern seen to this day. In just such a craft Leif Ericsson, first red-haired man to cross the Atlantic, put out from Iceland and found America; he even planned his trip for the year 1000—to make the date easy to remember! From the beginning, it has been so; always these Nordic folk do things the world remembers.

Tiny it is, yes; all Scandinavia no larger than Texas and Mississippi, stitched together. Twelve million people, maybe—2,000,000 others having moved to Minnesota and thereabouts.

But incredibly vigorous, intensely industrious. And, above all, trade-minded.

Full as their history is of daring deeds, of romance and royal adventure, today trade is above tradition. How to make more pig iron, to sell us more wood pulp, paper, pine and

steel bars, and how to avoid buying so much from us—that is their modern adventure. Purely commercial their foreign policy is. For the Welt Politik of militarists, for international intrigue, the banalities of doddering diplomats and snobbish secretaries, they have no time at all.

Signs of their sheer industry we see in this: Only 10 per cent of Sweden is under plow, yet half her people live by farming.

Denmark, with fewer people than Chicago and only one-tenth as big as California, grows nearly two farm animals to every man, woman and child; its dairy exports cover the earth. On every boy it spends so much on education that, crowded as the country is, it counts migration a loss. Yet when a young machinist, an electrician or dairyman insists on migrating—say to the United States—his legation here will consult the reports of our Labor Department and tell him where, in our country, he will best fit in.

Important though Scandinavia is to us, both as a market for many of our exports and as a source of needed raw materials, we also learn much, watching its slow, safe experience with cooperatives. To cut waste, duplication, overlapping of effort, costs of production, advertising and selling—and needless hauls of goods back and forth, as when competitors are located at opposite ends of a country—all these things give our own industrialists food for thought. On these problems, as with cooperative credits, state loans to farmers, and state monopolies, Scandinavia is in

the forefront in the practical application of her studies. Maybe from her we learned of farm loan banks.

Consider Denmark. She has nearly 2,000 cooperative societies, taking in not only town dwellers but also the many distributing agencies among farmers to handle bacon, eggs, stock breeding, insurance, buying and selling, credit, etc. Many persons belong to three or more societies at once; their sales turnover in one year is far over a billion crowns.

Members from these minor cooperatives are chosen to sit on a national wholesale committee, which in turn forms the Danish delegation on the Scandinavian Wholesale Society, representing the three kingdoms. The "Nordisk Andelsforbund" this buying group is called, its offices at Njalsgade 15, Copenhagen. Its object is to do most of the buying of foreign goods for the three national cooperatives of Denmark, Norway and Sweden. Now in these three national cooperative wholesale societies you also find grouped together concerns that make soap, chemicals, margarine, sweets and butter, as well as those dealing in sugar, coffee, cocoa, dried fruits, rice, and other "colonial wares."

This super-cooperative is said to own outright tobacco and cigar factories, coffee-roasting plants, chocolate, soap and other small

works. This plan works so well because people in Scandinavian lands are so homogeneous,—no such divisions of race and religion as we know. Of all Swedes 99 per cent are Lutherans, for example. It is a stock that thinks as one group.

To get all farmers in our widely scattered pig-growing states to agree to market no pig that weighs over 150 or under 140 pounds would probably be impossible. Yet this the Danish cooperatives have done—which is one reason Danish bacon is more popular in the London market than the Yankee product.

Rare Unity of Action

THE DANES, by giving pigs a special dairy diet and keeping them down to medium weight, produced a stout beast with strips of lean down its sides; from this they make a thin, mildly cured bacon that the English like, and now they hold the London market.

Dairy societies include nearly 200,000 members, and showing the spread of this idea, agents of English cooperative buying societies do business directly with these kindred groups in Denmark. Every industry that joins a cooperative must submit its product to tests and must attain fixed standards. In turn, skilled agents teach members to attain success.

From these three kingdomettes Uncle Sam buys wood products and pulp, iron ore, iron, steel, dairy products, skins, chemicals, cement and seeds. He sells them much more than he buys—a wide variety of things, but chiefly grain, cotton, sugar, tobacco, refined oils, oil-cake, motor cars, shoes, etc.

In 1920 our trade ran up to \$370,700,000; by 1922 it had dropped to \$151,500,000. Even this was far above pre-war figures and showed us a favorable balance of \$47,000,000.

In 1922, Swedish imports to the United States increased considerably. Nearby European markets, which had formerly absorbed so much of Sweden's products, bought hardly anything in 1922. In 1921, for example, our imports from Sweden amounted to only \$19,800,000; in 1922 the figure was \$33,400,000, an increase of about 70 per cent.

Danish exports to us fell off, in 1922, because of the economic crisis through which that country was passing. In this same year, we sold Denmark, however, some \$36,500,000 worth of goods, or more than we sold to either Norway or Sweden. Some of this, of course, Denmark reexported. Our trade with Norway last year was about the same as in 1921; that is, exports to and imports from Norway amounting to \$31,200,000 and \$14,700,000.

Denmark is perhaps the most Americanized country in Europe. Yankee-made things are everywhere—dental creams, safety razors, auto tires.

Danes Buy Heavily from Us

"WE'RE GETTING so intimate with you, we even use your nail polish, eat your raisins and actually chew your gum," one Dane told me. "Sixty per cent of our motor cars are American-made. We're a small country; we've just weathered a bad financial storm,

and we don't want to buy any more from Uncle Sam than we can possibly help—yet we keep on buying."

Nowhere on earth, perhaps, is the selling power of style and finish better shown than in the Danish shoe trade. Now the Danes make good, stout shoes. Also, they ship hides to Boston and buy back from us big orders of finely finished, high-grade shoes.

"Our shops will not, or cannot afford to make fifty different styles and to put such fine finish into them," a Dane told me, "and yet we will have them. It is so with jazz—and movies. We have our own good music, and excellent actors. Yet in every café you hear Yankee jazz; you see people doing the American steps, and your film stars are favorites in every Danish picture show."

They buy ten times as much from us as they sell to us, the Danes complain, and to make it worse we slap an 8-cent duty on their butter, shutting one of their chief exports out of our market. We send them corn, oil-cake and petroleum; at Copenhagen, Ford assembles cars for a dozen European lands; and General Motors is also putting a plant there.

In their own special lines, however, the Danes are our keen competitors. Their dairy and refrigerating machines sell easily in Latin America and elsewhere. All over the world they are erecting complete cement-making plants, even here in the United States. In China their tools are popular. At building Diesel motor ships Danish shipyards hold high rank, and some of them have been sold to America.

Valiant Under Difficulties

AT THE free port of Copenhagen, trade centers. Here Germans and British merchants have been settled for years. After the war, a score or more of well-known American firms like the W. R. Grace interests, Texas Oil, Fox and Universal Films, Rice and Hutchins, the MacFadden cotton people and others set up shop. What with hard times in Denmark, chaos and depression in Germany, Russia and the Baltic States, many of these closed down or migrated to other cities in Scandinavia.

There are more people in New York City than live in all Sweden. In years past, one Swede in four moved here. Perhaps 80 per cent of the whole country is unfit for raising food. Yet today, as thinkers and doers, Sweden has achieved a unique place in science and industry. In hydro-electric work, in making chemical pulps, in producing from muddy swamp ore a steel that even our own razor-makers are keen to get, she renders the whole world a distinguished service. Though England is her best customer, she trades to the far ends of the earth.

Every dairyman knows Delaval's cream separator, a Swedish invention. At Vladivostok, a friend of mine saw immense quantities of these machines, on their way to the peasant dairymen of Siberia who used to ship out so much fine "Danish butter."

Every Yankee who makes cement can tell you what a strong competitor the Swedish cement maker has become, just as the Dane competes with us in making



Young Greenland girls
(wearing their lingerie outside)



The Danish dairies export much of their product

and setting up complete cement-making plants.

The old Viking spirit still lives. We read that Gunnar Anderson, the locomotive builder, loaded his yacht with salesmen last summer and then invaded South America. Business is following, it is said, totaling many millions of kronen. Brazil, though hard up for cash, is to pay Sweden in coffee for machinery, iron manufactures, pulp, ball bearings, matches, pottery, cream separators and other goods. Already Swedish steamship lines have indirect connections with Latin America, and to them these new deals will bring more business.

In Java the "Swedish Industrial Agencies," a branch of the old firm of Kjellberg and Sons, is said to be set up for trading in the Dutch East Indies. Some Dutch money is in this new enterprise, which will sell pulp, crockery, iron and steel, electric and other machinery and take in turn the tropical raw materials that Sweden needs. In the same way, Swedish West Coast fishing interests are planning to send vessels clear to Argentinian waters, we are told, and to operate there by Swedish methods.

How Sweden Aids Exporters

TO SELL more goods in America Sweden keeps a commercial councillor on duty at its legation in Washington; and two special trade attachés, experts in cellulose and in the iron-and-steel business, are here now, making thorough surveys of our needs. In South America, and elsewhere, the same effort is being made. Since 1919, by act of the Riksdag, Sweden's government trade information service has been an official part of the Ministry for Foreign Affairs. Its agents inspect a for-

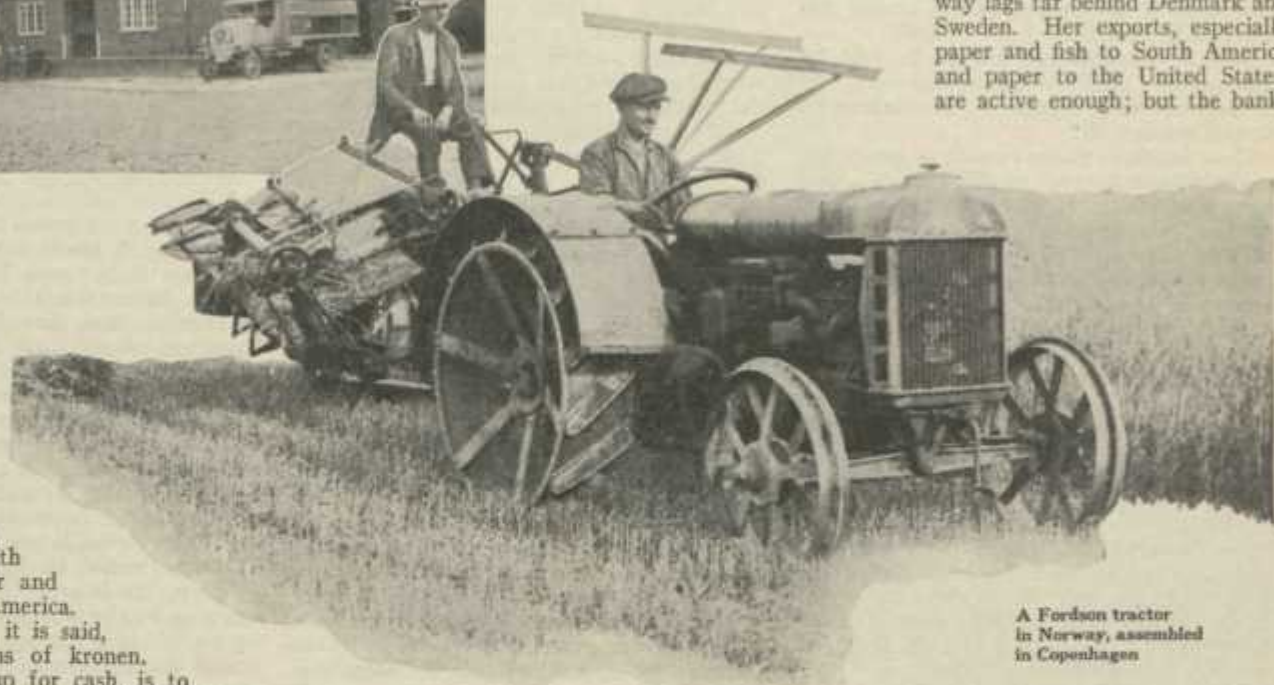
eign market, commodity by commodity, with a view to reporting the chances for exports from and needed imports into Sweden.

Like some other small neutrals in Europe, in the big war Sweden waxed fat on abnormal war-

as follows: Of Swedish origin, 223; American, 116; German, 74; French, 47; British, 3. Almost all cameras imported come from the U. S. A. In ready-made clothing Germany easily leads all competing importers in supplying Scandinavia.

From Penang to Peoria, the world knows Swedish matches. Last year over 60,000,000 pounds were sold. Even the difficult Chinese field was penetrated. It is said American and Swedish matchmakers enjoy some kind of understanding that avoids expensive competition.

In Scandinavia's fight to retrieve trade, Norway lags far behind Denmark and Sweden. Her exports, especially paper and fish to South America and paper to the United States, are active enough; but the bank-



A Fordson tractor in Norway, assembled in Copenhagen

time business. She shared, too, in the big post-armistice boom.

German competition, so threatening in 1921, is felt much less at present. Yet the Swedes realize this German setback is only temporary. Even now the tireless agents of the big German shops are plugging persistently on in Sweden, Poland, South America and elsewhere, setting the stage for the economic comeback of the Fatherland, which they still believe inevitable.

In fact, even though she does compete in many lines, and though her present disability gives the Swedes the advantage in certain lines of manufactured goods, yet Sweden, too, is anxious for Germany to recover. For by far the larger part of Swedish iron ore is taken by Germany. Before the war, she took two-thirds of all Sweden's ore products. Krupp and Thyssen still have Swedish ore contracts that run until 1932.

Swedish sales to Soviet Russia consist mostly of farm implements, electrical equipment and products of the metallurgical trades, and locomotives. In 1922 it is said the firm of Nydqvist and Holm sold the Soviets 140 engines. One step in the Swedish effort to find new markets, in place of those lost by European chaos, has been to set up in New York a concern called the Swedish Steel Sales Co., Ltd.

American wares in many lines are favorites in Sweden. Last year we sold her 901 motorcycles, as against 69 sold by England; our imports of motor cars, sent direct and shipped from Denmark, far outstripped all competitors. In the film trade, also, we lead. The Swedes like educational pictures, too. In a recent Swedish pamphlet listing such films, by country of origin, it appears they were derived

ing crisis of the past summer greatly diminished her buying power. Twenty-six banks passed under public administration to avoid failure.

England is Norway's best customer. Our own purchases dropped from about \$21,600,000 in 1920, the record year, to a little over \$9,000,000 in the first nine months of 1923. Our sales to Norway, for these same years, showed a drop from \$94,500,000 to \$14,678,000. Because of the banking crisis, collections in 1923 were not easy to make. Foreign countries put no little pressure on Norway, through diplomatic channels, to protect the deposits of their nationals in Norwegian banks.

Prohibition Versus Fish

PROHIBITION proved a boomerang in this way; salt fish, sent to the warm countries of the south, has long been a great Norwegian industry. Portugal, Spain and Italy were heavy buyers, because this fish is cheap and keeps in hot weather. For fish, these Latin lands paid with wine. When Norway went partially dry and refused to buy more wine from Spain, Portugal and Italy, they put an embargo on Norwegian fish. Right speedily, then, screams of Scandinavian rage arose from sturdy fisherfolk who, in this dilemma, could get neither wine to drink nor a market for fish. Norway, perforce, compromised, admitting specified quantities of these wines each year, a happy ending to Fish vs. Fire-water. Again the fishing is fine.

If Norway can fix up her finances and appease labor, she, too, can soon keep her key industries fairly busy, in spite of hard times in continental Europe. We want her pine, her newsprint paper, her fish and her metals. If the doctor insists, we'll even take her cod-liver oil!



Industry Is Giving Us a New South

A Story of Great Changes By ASHMUN BROWN

Washington Correspondent of the Providence Journal

"MANUFACTURERS' AVENUE" they call the main highway through the Piedmont section of North and South Carolina and Georgia, that wooded upland stretch of country reaching from the southern line of Virginia through the western tiers of counties on to Atlanta. This highway extends 177 miles in North Carolina alone; and in that distance the front doors of 128 cotton mills open upon it, an average of one cotton mill for each 1.38 miles.

But the story is not one to be told by figures alone. It is a vitally human story. At the bottom lies a change in the southerner's attitude toward life.

These Southern States contain no newly discovered material resources that prompt a rush for development. It isn't the upbuilding of new and extended systems of transportation that has made possible the increased production of goods for the country's and the world's markets. The explanation lies in the fact that the South has ceased to dwell in the past.

There was a day, not so long ago, when the descendants of the men who fought the lost cause, the best blood of the South, were content to subsist largely on tradition. It was not in keeping with that tradition for the scions of families that once constituted the aristocracy of the South to engage in any activity outside of the learned professions. Today, however, the best blood of the Carolinas and Georgia—and of other states of the old Confederacy, to a lesser extent—have cast off the ancient conventions, and with a virility and an ability equal to that displayed by their Revolutionary ancestors, have plunged into industrialism.

An inquisitive westerner, familiar with the boosting methods and the constructive community spirit that has built the cities and states of the Pacific Coast, wandering through the Piedmont not long ago, was amazed at

what he observed. In all his western experience he never saw a finer spirit of progress than exists in Charlotte, Spartanburg, Greensboro, Gastonia, Winston-Salem and other ancient towns that have awakened overnight into modern, energetic centers of activity.

And in another aspect, the social change is still more marked. Once, in the long and somnolent period that followed the Civil War, the South, a region then of clearly defined social distinctions, contained practically no middle class. Politically and otherwise the aristocracy ruled. At the other end of the scale was the great negro population. In between but negligible as either a social or an economic factor was the "poor white" class—tenant farmers always in debt to the planter; mountain dwellers, remote, aloof and primitive, "our contemporary ancestors," as Walter Hines Page once called them.

New Living Conditions Prevail

TODAY the poor whites as a class have almost disappeared. The factory has lured them from the tenant farm and from the mountain. The mill village, with its schools, its churches, its community life, its moving picture show, its visiting nurses, its resident physicians, has taught the primitive folk what the world has learned of the art of living.

Read the result in the health statistics of these Southern States. Disease is being controlled, life is being prolonged, infant mortality is decreasing, sanitation and personal hygiene are becoming common and not exceptional. The public health authorities have a ready explanation. The mill village, paternally dominated, if you will, has led the way. Industry, in short, has brought enlightenment and civilization to a great body of Americans.

The cracker and hill-billy are becoming extinct. The factory and the mill have made them over into modern Americans, standard-

ized them on a 1923 model, maybe, but with a broader, more comfortable and richer life than they or their ancestors ever knew. Industry has opened to them and their children the door of opportunity, a door which they themselves once held shut.

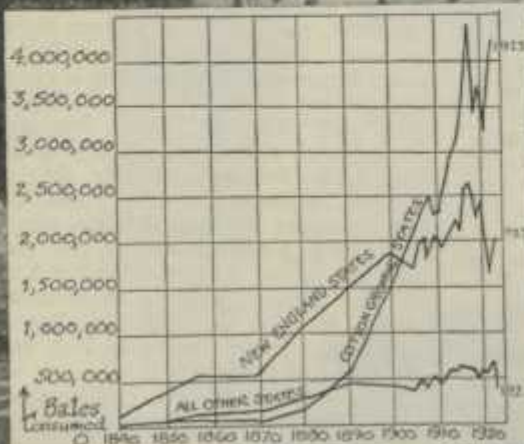
Respected and self-respecting, they play their part in this new era of development. The mill and the factory have given them an economic independence which they have found better than the independence of shiftlessness that satisfied their forefathers. They and their children and their children's children have broadened out into other activities, advanced in many instances to places of responsibility and have furnished what, for a better name, may be termed a middle class, which is so necessary to the balanced organization of a successful community.

Perhaps it would be better to say that the progress these people have made through the closer human contacts made possible by industrialism and through the educational advantages offered them has eliminated the old class divisions and caste lines. There are sons of hill dwellers, one generation removed from the mountain shanty, who are presidents and managers of mill corporations, living in modern homes, with their children in universities.

It is a widely accepted belief that this change is due primarily to the investment of northern capital in southern industry. A careful examination discloses the fallacy of this theory. It is true that northern capital is flowing southward now in an ever-increasing stream. It is gossip in the cotton textile trade that forty-eight million dollars of northern money went into southern mills in 1923. Nevertheless, the preponderance of capital represented in southern industries is still southern, and the conditions that now draw northern capital were made by southerners.

It is in the complete conversion of these Southern States to industrialism, that the real reason is found. Towns, counties and states have thrown themselves into the movement for increasing industrial productivity. The motorman on the street car, the policeman on his beat, the small shopkeeper—all are boosters for southern factory development. The South holds out a warm and earnest welcome to all who would establish a new manufacturing plant.

Robert Amory of Boston, president of the National Association of Cotton Manufacturers,



Largest Cotton Warehouse in the World, part of the extensive equipment for handling cotton at New Orleans, included in the publicly owned harbor facilities.

made up of northern cotton mill men, in addressing the American Cotton Manufacturers' Association, composed of southerners, at a convention at Richmond last May, expressed this thought.

"I cannot," said he, "emphasize enough that your greater advantage is the good will of the citizens of your respective states and their sound appreciation of, and acknowledgment to, industry. This attitude is reflected in the feelings of your legislatures toward your mills. The lack of this feeling of good will and encouragement toward the New England mills is their principal, if not their only, handicap. I have a feeling, perhaps it is only a hope, that the tide is turning and that soon our New England legislatures will really try to encourage and foster industry. There are distinct signs of this in some of the states. Until this occurs, there will be few, if any new cotton mills built in New England."

Active Southern Spindles Increase

THE EXTENT to which the cotton textile industry is shifting from New England, where it first became great on this continent, to the South, is indicated by the United States Census bulletins. Back in 1880, 81 per cent of all the cotton spindles in the United States were in New England, and only 5 per cent in the Southern States. By 1900, the southern proportion had grown to 26 per cent and New England's had fallen to 66 per cent. Ten years later the percentages were: New England, 56, and the Southern States 36. By 1920 southern spindles were 43 per cent of the American total and New England's, 51 per cent. At the end of October this year the gap between the two was narrowed, for then New England's spindles represented only 48 per cent of all and the South's, 46 per cent of the total for the United States.

The year 1923 was not a good one in the cotton textile industry. As against 35,707,738 active cotton spindles in the United States in 1922, only 34,378,862 were active in October of last year, making a decrease of 1,328,876.

But even while this de-

crease was going on, the southern mills were forging ahead. In October they operated 16,084,942 active spindles, an increase of 178,777 over the 1922 figures. On the other hand, the number of active spindles in New England in the same time dropped from 17,938,805 to 16,579,516, a loss of 1,359,289.

The stupendous changes that have been mentioned are

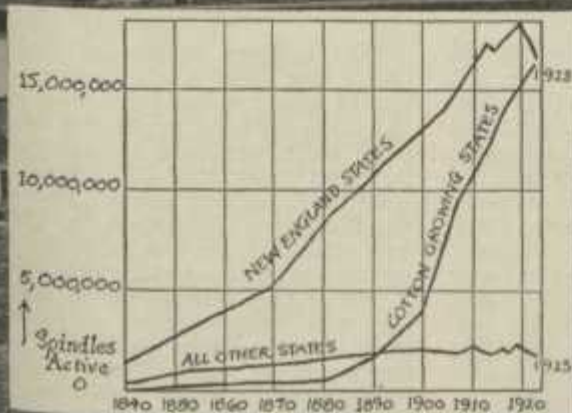
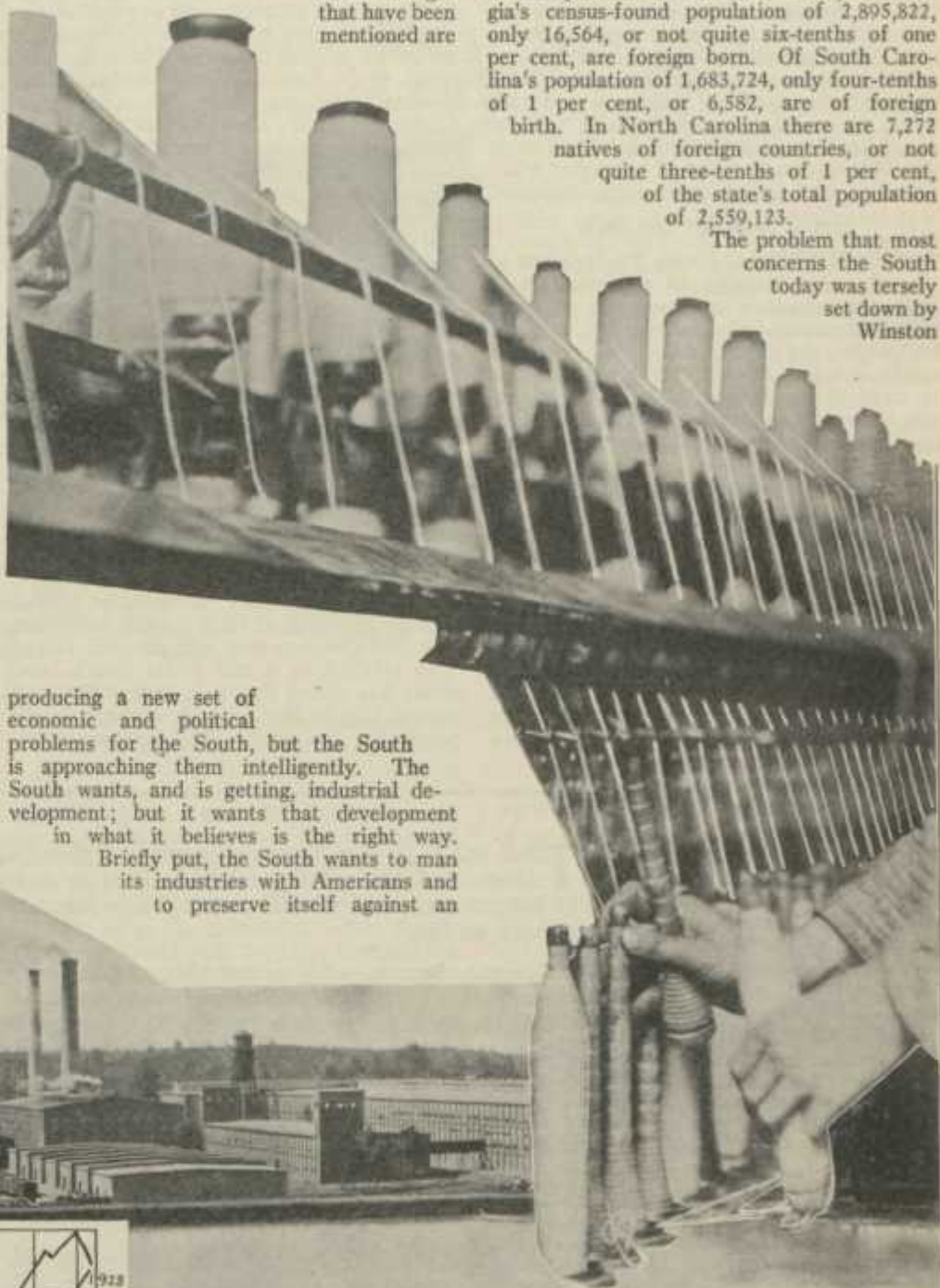
excessive influx of aliens and against labor disturbances.

A fundamental fact in the problems is that the three leading southern industrial states, Georgia, North Carolina and South Carolina, are practically all-American communities. The foreign-born population of the United States, as shown by the census of 1920, is 13,345,543, or 12.6 per cent of the total. Now, of Georgia's census-found population of 2,895,822, only 16,564, or not quite six-tenths of one per cent, are foreign born. Of South Carolina's population of 1,683,724, only four-tenths of 1 per cent, or 6,582, are of foreign birth. In North Carolina there are 7,272 natives of foreign countries, or not quite three-tenths of 1 per cent, of the state's total population of 2,559,123.

The problem that most concerns the South today was tersely set down by Winston

producing a new set of economic and political problems for the South, but the South is approaching them intelligently. The South wants, and is getting, industrial development; but it wants that development in what it believes is the right way.

Briefly put, the South wants to man its industries with Americans and to preserve itself against an



White Oak Cotton Mill, Greensboro, N. C., said to be the largest denim mill in the world and to produce 60 per cent of the world's denims. The weave building is 804 ft. long.

D. Adams, secretary of the American Cotton Manufacturers' Association, at its annual convention at Richmond, when he said:

"Our industry is growing so rapidly within itself that while today we may have a sufficiency of native help, the day is not far distant, in the judgment of many, when there will be a scarcity, if not an actual dearth. Any considerable accretion from without to the southern industry, with consequent demands upon our native labor supply would probably result in a general shortage for which there would be but one solution from the standpoint of the northern mill man and that would be to bring in outside help; and the one thing that we are definitely agreed on is the extreme undesirability of any influx whatsoever of northern labor or foreign extraction.

South Supplies the Skill

"CONFIDENT that I voice the sentiment of the vast majority of our members, I state that outsiders are welcome to share in the extension of the southern textile industry within the limits of our natural labor supply, but that any disposition on their part to come at the expense of bringing in outside operatives to remedy any resulting labor shortage would be vigorously and actively resented."

T. E. Browne, state director of vocational education in North Carolina, recently declared that "it would be nothing short of a tragedy were it to become necessary for the New England capitalists to have to bring to the South New England's skilled labor to fill the more highly specialized positions within our borders."

"In too many of the schools located in the textile centers of North Carolina," said Mr. Browne, "the teachers have been emphasizing the importance of an education as a step into the professions rather than into industrial enterprises."

"These boys have been taught to look upon an education as a means of getting out of the industrial environment," the director said. "A more false conception of the situation could not be thought of. For the bright, ambitious boy in a cotton mill community, fully acquainted with the fundamental conditions of industrial life, there is no greater opportunity than for him to direct his education to the preparation for leadership in the state's great industrial development."

"The teachers in these communities should begin early to acquaint the children with the bigness of the textile industry, the opportunities for promotion for the highly skilled worker and the ever-increasing demand for men of ability and vision to direct the activities in the state's large industrial plants."

"There is no state with purer Anglo-Saxon population, with boys and girls with greater native ability, than North Carolina. These enlarged industries are necessarily going to demand workers of increased skill. It is the duty of the school to use its influence to train both the young and the adults of our state who will be called upon to man these industries to become well trained leaders."

The leading men in the southern cotton textile industry are in accord with this idea. Whatever evils there may have been in the past in the matter of child labor in the mills,

the spirit of the southern cotton industry today is attuned to providing the mill workers with a better and a more wholesome life.

It is not pure altruism that leads them to the course they are now following. They realize that to prevent their labor problem from becoming more complex and to avoid the importation of alien labor they must make life in the mill villages and employment in the mills so attractive and so remunerative that the oncoming generations will be content to remain in that industry. "It is the child which is the hope of future southern industrialism," declares Stuart W. Cramer, of Cramerton, N. C., a leader in the industry.

"We all know New England's experience," continues Mr. Cramer, "where the textile workers of a generation ago have been superseded by foreigners, and their children have drifted out of the mills into other employment. The health, training and opportunities we bring to the children of today will determine very largely whether they will care to be the mill workers of tomorrow. Any southern mill man, therefore, who fails to support child welfare work and to observe the child labor restrictions that have gradually emerged from the chaos of experimentation, both legislative and industrial, whether compelled to do so by law or not, is a traitor to his industry and to his own selfish interests."

Hence the large expenditures which southern mill owners have made and are continually making in the way of better housing and what is broadly termed welfare work for their employees. They declare that on an average one-third of their capital investment in a mill property goes into the mill village.

In establishing a mill in the South experience has shown that it is useless to put it near a city in the hope of drawing on the population for labor. The southern white

South Carolina at least," he said, "has been of enormous benefit in improving the health of our people. Please observe that when South Carolina became a registration state in 1915 (that is, when it began to keep vital statistics), the death rate was 15.4, and that it has now been reduced to 11.5 per thousand of population—white, 9.4; colored, 13.6. This is as low a death rate as can be found for a white population in any state in the Union. In 1916 the total number of deaths of children under one year of age was 4,300; in 1922, it was 3,483, which means that 817 babies were saved."

"Deaths of children from one to ten years of age for 1916 were 2,612; for 1922, 1,737. These are but examples."

Mills Advance Civilization

"THE TRUTH is that were the general health of the state as good as it is in the mill communities, our statistics would make even a better showing, for it is an absolute fact that health conditions in the mill villages are materially better than in the other communities. For example, while the death rate in all the United States in 1922 was 11.9, that in Spartanburg, a mill center, was only 10."

"The mills have advanced civilization in this state and not retarded it. Their coming is directly responsible for a vast improvement in the living conditions of our people. The mill owners a long time ago found out that as a commercial proposition alone it is good business to see that their workers and the families of their workers are healthy, happy and contented. The mill village of today is a clean, architecturally pleasing and modernly equipped community, with modern plumbing, modern sewerage and all the conveniences of life. Time was when the mill workers were a floating population. Today the labor turn-

over has been vastly reduced. As a rule the floater has been eliminated."

"Here, as in other southern states, the cotton mill labor is made up almost entirely of native whites, that pure Anglo-Saxon strain that has lived a primitive life in our mountains for hundreds of years. They are an independent race, uneducated, to be sure, in their original environment, but highly intelligent as shown by the manner in which they develop intellectually as well as physically when they have the benefit of schools, churches and associations that are found in our mill communities."

"You northern writers are fond of declaring that these people live under a system of almost feudal paternalism in homes and towns furnished by the mill owners. It is an absurd statement to make when one takes into consideration the traditional individualistic spirit of these people. They will submit themselves to leadership in which they have confidence, but it is not in them to submit themselves to autocracy or imposition."

"But if they believed for an instant that they were being exploited, or repressed, as some of the northern writers have declared, they would not remain. There is nothing to compel them to remain. They can pick up their belongings and go back to their mountains and freedom, if you want to use the word, whenever they feel like it. The fact that they do not do so is a complete answer to misrepresentations that have been afloat."

THE SOUTH is no longer a country of placid agriculture, of cotton fields and negro labor. It is an awakened land of industry, of modern mills, with white labor, with a new outlook on life.

Ashmun Brown, who writes this article, is Washington correspondent of a New England newspaper, in a district whose textile industry finds itself with a young, strong competitor in a field where it once looked only for its raw material. What he describes, he himself saw in a trip through that field.

This is the first of several articles we plan to publish on this amazing New South.—THE EDITOR.

city dweller does not seem attracted by the employment, and by an unwritten rule, also based on experience, only whites are employed in cotton mills. Hence, each mill has its own village; and the modern development is for that village to be completely equipped with sewerage, light and water systems, churches, schools, community houses, hospitals, recreation fields and moving pictures.

The mill owners assert that while admittedly their wage scales are lower than in the North, their labor costs are not, because they provide the equivalent of \$4.36 per week per operative "outside the pay envelope," for his physical and mental comfort and welfare.

How all this is working out may be summed up in the words of Dr. James A. Hayne, executive officer of the State Board of Health of South Carolina.

"The rise of the cotton mill industry, in

Cost Accounting the Cow

By WILLIAM C. LYON

REMEMBER, when you were a lad, how you used to take the little tin pail and go over to the Widow Jones' and get a quart of milk, milked warm into the pail—and you'd snatch a swallow or two on the way home?

That, thirty years ago, represented, in its utmost simplicity, milk production, milk distribution and milk consumption. The quart of milk represented the supply produced by the cow in excess of the widow's requirements. The widow then knew—and cared—about as much of the cost of production, overhead and depreciation as Bossy herself.

The Widow Jones went the way of all flesh. Bossy also died. In Bossy's place there is that endless line of "the cattle on a thousand hills"—also in ten thousand valleys. The Widow Jones is superseded by about fourteen thousand fresh milk dealers in the United States, represented by a capital investment probably exceeding a hundred million dollars.

Where Bossy in her occasional temperamental fits kicked over the pail she is now consistently, uniformly "kicking in" to the cash register. She has become a unit of the wide ramifications of the world's business. The quart of milk you got by the simple process in the tin pail now comes to you in the sanitary glass bottle. But it comes to you by a very much more elaborate route which is something like this:

It is cooled at the farm in cans. The cans are transported by truck to the country receiving station or direct to the glass lined and cooled cars at the railroad.

Then it goes by rail to the city platform or unloading truck. From there it is transported by truck to the city milk plant where it is tested as to acidity or freshness. It is sampled in the laboratory for butter-fat, sediment or cleanliness. Then it is transferred to the receiving or weighing vat. From there it is pumped to the heater, clarified or filtered, pasteurized in holding tanks at high temperature, thus destroying all pathogenic life.

From here it goes to the cooling machinery, then to the filling or bottling machinery, then it is capped, crated, refrigerated and loaded on wholesale or retail wagons and delivered.

Retail Price Risen Little

IT IS worthy of note that you pay but a few cents more now for your quart of milk than you paid the Widow Jones in those other days. The milk dealer's profit is a very small fraction of a cent per unit of product and it is only because of the unusual turnover that the business becomes a gainful occupation for him.

So because of the intricacy of the milk industry, the smallness of the unit of profit, it will occur at once to the business man that the building of a cost system for those engaged in the business was at once quite necessary and difficult.

It was in 1917 that the subject of uniform cost accounting was first approached by the leaders of the industry as represented in the International Association of Milk Dealers. The subject was gone into in a most intelligent, scientific and, at the same time, practical manner.

First a certified public accountant was engaged to make a survey of the industry and ascertain the practicability and need for a uniform cost accounting system. His report



at the next annual meeting convinced the membership of the need of such a system.

The leaders of the industry at the beginning sought the counsel of more thoroughly organized business in many lines. It first sought the advice of the Chamber of Commerce of the United States, which was—and is—urging upon all American industry the building of cost systems. Its advice was that the system be built up as far as possible within the industry itself and with the least necessity for the disarrangement of existing systems.

This plan was adopted and the building of the system was undertaken under the leadership of an expert cost man from the outside. The first step was the appointment of an advisory committee made up of some 35 or 40 accountants from representative members of the organization from widely scattered points in the United States and Canada. These representatives came from firms from the largest to the smallest.

While the plans for the system were being discussed by the committee it became evident that, inasmuch as the system was to be an assistance for the credit man in the bank as well as a guide to better management, it would be the advantageous thing to have the advice and counsel of representatives of banking organizations and credit men.

They approached the American Bankers Association, the American Institute of Banking, the National Credit Men's Association and the Federal Reserve Board, asking them to sit with the committee of accountants and offer constructive criticism upon the balance sheet they had prepared.

These organizations fell in with the plan immediately. They designated representative men who sat with the committee and offered suggestions which from their viewpoint would result in the best form of balance sheet that could be devised. The balance sheet adopted as a result of that conference received the un-

qualified approval of the bankers and credit men.

The Milk Dealers Association, following these conferences, presented to its membership a perfected manual of cost accounting. The manual is constructed in three parts. Part I takes care of definitions and explanations in an effort to establish uniform terminology. Part II shows bookkeeping procedure. Its builders have endeavored to set up every account that could possibly be used by the standard milk dealer and to show plainly just what entries are made in each account and how the bookkeeper will proceed in setting up his general books and cost accounts. Part III sets up all exhibits, schedules and charts as they should be adopted for uniform practice. These exhibits, schedules and charts show in picture form the entire operation of the system. They have also included diagrams which should be of help to the accountant in visualizing the flow of business transaction over his books and into his unit cost accounts.

As a result of the first demonstration of the working of the system, 96 of the 264 firms in the association almost immediately asked to have the system installed in their plants as soon as possible.

The association then organized an accounting bureau at its general office in charge of the accountant who had been the leader of the work in building the system. This bureau renders an advisory service by mail to its members. It makes comparative studies of costs and sends periodically to its members reports of those studies, which are strictly legal.

Also it has organized a Controllers Council, made up of member accountants operating under the system. This council has been divided into regional groups to cover the geographical sections of the country. The regional groups under local leadership meet from time to time as their needs arise. In turn these regional groups send delegates to an annual meeting of the Controllers Council, held in connection with, and as a section of, the association's annual meeting. Report of its activities are then made to the convention as a whole.

Aim at Uniform Systems

HOLDING to the thought of bringing about a uniform cost accounting with the least disturbance to existing systems in the industry, the association has emphasized the point that in building its present system it has not attempted to revolutionize or discard the cost systems of any of its members, many of which have been built up at considerable expense and based upon individual practical needs. The system was so devised upon the experience of the accountants themselves that it was not necessary to call upon members to revolutionize their methods but simply to make such changes as would enable them to conform to the uniform system and make uniform reports.

Milk, of all the world's food supply, probably gets most attention from "doctor, lawyer, merchant, chief," in its progress from producer to consumer. Much of the organized work of the industry heretofore has been towards safeguarding the health of the consumer. Now through this latest effort in uniform cost accounting they are calling for lower costs.

The NATION'S BUSINESS

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MERLE THORPE, Editor

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Sober Sense About the Bonus

THE QUESTION of a cash payment to able-bodied veterans of the world war is still before the American people. For that payment stands the American Legion. Opposed to it stands the Chamber of Commerce of the United States. Between the two organizations is an honest difference of belief. American business men enrolled in the Chamber's membership are actively concerned with the welfare of the disabled, and they are diligent in completing the return of the able-bodied to peacetime employments. Nothing should be lacking for the comfort and well-being of the disabled. To pay money under the guise of "adjusted compensation" to every man and woman regardless of physical or financial condition is quite another question, and one on which the Legion and the Chamber divide.

So it is that the issue is again drawn in telegrams exchanged between B. J. Keller, commander of a Legion post at St. Paul, Minnesota, and Julius H. Barnes, president of the Chamber of Commerce of the United States. Mr. Keller's telegram reads as follows:

On your recent visit committee of John H. De Parq Post American Legion Saint Paul endeavored to personally challenge you to public debate the adjusted compensation in St. Paul at your convenience. Unfortunately they didn't see you. Have taken this means of challenging. Assure audience of six thousand or better. Answer collect.

To which President Barnes replied:

The public platform and the stimulated emotional demonstration of partisan audiences is not the atmosphere in which to determine sober judgment on a question like the bonus which involves study and appreciation of the economic injury of vast appropriations raised by taxation which may slow up industry causing unemployment and distress and also appreciation of the moral aspects which may in future history stamp the patriotism of youthful soldiers with a dollar aspect which their own maturer judgment would deeply regret and which is opposed evidently with increasing numbers within the Legion itself. The place for such decisions is the sober reflection of the American home which will be vitally affected by the outcome for good or ill and in all sincerity the Chamber of Commerce of the United States reflecting the definite conviction of older men whose places and responsibilities the young men of the Legion will soon assume with enlarged experience and wider understanding must continue to protest against emotional legislation containing such vast potentialities for social and economic injury for the reasons set forth in the veto message of the late President Harding.

"A Glutton for Punishment"

UNFAIR COMPETITION is given an unexpected twist by the Federal Trade Commission in some of its cases. It proceeded against a wholesale grocer because he gave notice to a manufacturer he wanted no more of the manufacturer's goods if the manufacturer continued to sell to another concern. On January 7 the Supreme Court handed down a decision it had forecast when it heard the lawyers argue.

As the grocer had acted on his own initiative and not in concert with anyone else, and had no dominance in the grocery business, the court said it perceived no conspiracy and no oppression. Since any such elements were lacking the grocer could freely exercise his own independent discretion as to the manufacturers from whom he would buy, and could act for reasons sufficient to himself. Their sufficiency to the Federal

Trade Commission, the court implied, was of no moment. Under these circumstances, the grocer might have as his reason that in his opinion the manufacturer was undermining his trade by selling either to a competing wholesale grocer or to a retailer competing with his own customers.

Two days later, however, the Trade Commission published its conclusions in a case it has had pending for three years against the Minneapolis Chamber of Commerce, which is a grain exchange. The members of the commission were by no means unanimous; they handed down a decision on which they divided three to two.

The commission's statement of its case is long and the answer of the Minneapolis Chamber, filed in February, 1921, is equally voluminous. The gist of the matter seems to be, however, that the commission finds fault because the grain exchange does not admit to membership the type of cooperative grain concerns that dispense patronage dividends against the commission allowed for transactions on the exchange.

If a farmers' cooperative organization has its members hold stock approximately in accordance with the amount of business the organization handles for them, and pays dividends on the stock, the exchange apparently admits them to membership, if they comply with the usual conditions, but it has not considered suitable for membership organizations which, regardless of participation in ownership and control, pay "dividends" out of regular commissions to the persons who deal with them.

Thus, the Trade Commission may have initiated another case for the courts. The circumstances suggest that the grain exchange at Minneapolis will not be content with the commission's decision.

To all appearances, a majority of the Trade Commission are not daunted by the defeats which have been met by the commission in the courts but are prepared to try another joust before the judiciary.

A Right Way to Aid the Farmer

A DOLLAR TEN a bushel in the early fall would have pleased many of our farmers as a price for their wheat but in England its equivalent in shillings and pence did not meet the cost of production, so British farmers declared.

England has been concerned about the state of her agriculture. Some time ago the government appointed an agricultural tribunal to investigate and report. This body recommended that each farmer be given an annual subsidy of ten shillings—say \$2.25—for each acre of land he had in tillage. The total area entitled to such a subsidy was estimated at 10,350,000 acres. Besides, the tribunal recommended that for each acre in wheat there should be an additional ten shillings.

Agricultural wages, both those sufficient in themselves and those the farmers could pay, were a part of the problem and when the government in power in November decided to go to the polls it set out a program involving wages. An important plank in the platform the government submitted to the electorate was substitution of protection for the principle of free trade, in order that industries under protection might have more work and thus diminish the serious unemployment problem. As England is dependent upon outside sources for 70 per cent of its food supply, however, the proposal for protection could not be made to include such essential agricultural commodities as wheat and meats.

By way of meeting this situation, the platform declared in favor of continued freedom of wheat, meats, etc., from import duties, but offered a subsidy for tilled land. The tribunal's figure was doubled, and put at one pound sterling per acre of tilled land—about \$4.50 in our money at the value of the moment—but this subsidy would have been payable only to

farmers who paid wages of not less than thirty shillings—say \$6.75—a week. This subsidy would have been applied, according to one estimate, to more land than the tribunal's recommendations, perhaps reaching a total of 15,000,000 acres—or something less than the total area in the United States sown to spring wheat in 1923. The subsidy might thus have reached an equivalent of \$50,000,000 a year. In addition, the platform contemplated remission of taxes on farmers estimated to amount to the equivalent of \$10,000,000.

Apparently, the farmers themselves did not relish the plan. So far as evidence is at hand, they seem to have voted against it at the polls. At this distance, their precise reasons are difficult to make out, but whatever the effect upon votes there was some discussion about the methods Denmark had followed to work out of its agricultural depression.

PREDOMINANTLY agricultural, Denmark suffered severely when new lands in the western hemisphere and elsewhere came into use, with their products going to Europe at low transportation costs. Denmark overcame its troubles, not by abandoning agriculture, but by intensifying it with an eye to efficiency in operation and quality in product. It utilized cooperative organizations, along lines pointed out as effective by Sydney Anderson elsewhere in this issue, and largely through their activities it put dairying, hog raising, and poultry keeping upon a new basis.

The average cow which had yielded 380 gallons of milk a year was gradually replaced with better cows until the average came near to giving 600 gallons a year. Butter which had been uneven in quality and correspondingly low in the price it brought was improved and made uniform by systems of scoring and inspecting, and exports of butter rose from 17,000 tons a year to 100,000 tons. The type of hog for bacon was improved, always with an eye to his yield when butchered, and results were equally gratifying to farmers.

Hens were taken in hand, too. In 1922 England imported from Denmark, a country a few decades earlier facing agricultural ruin, butter worth \$65,000,000 and in price per pound 12 per cent higher on account of quality than butter imported from other countries; bacon worth \$70,000,000 and, on account of accommodation to British taste, fetching an average price 19 per cent over bacon imported from other countries, and eggs worth \$25,000,000 and bringing in the British market 18 per cent more than eggs obtained from other countries.

It is not to be thought, either, that Denmark's agricultural efficiency has not developed in other directions, too. For production of cereals as large an acreage is used now as in the days when competition of new lands appeared to be ruinous. Yield per acre has been increased. When agricultural difficulty confronted Denmark, the yield of wheat ran around

thirty bushels to the acre. In the ten years ended with 1920 the average yield in Denmark was 43.8 bushels. In the same period England's average was 31.6 bushels, and our own 14.5 bushels.

In efficiency of production and in direction of production toward quality both England and the United States can undoubtedly learn some lessons from Denmark.

The "Recapture" Clause Upheld

TO REGULATE interstate commerce, the Supreme Court said on January 7, is to foster, protect and control with appropriate regard to the welfare of those who are immediately concerned, as well as the public at large, and to promote its growth and its safety. The Transportation Act of 1920, in the opinion of the court, adds a new and important object to previous interstate commerce legislation, which was designed primarily to prevent unreasonable or discriminatory rates against persons and localities.

"The new Act seeks affirmatively to build up a system of railways prepared to handle promptly all the interstate traffic of the country. . . . To achieve this great purpose it puts the railroad system more completely than ever under the fostering guardianship and control of the Interstate Commerce Commission."

This language was used by the Supreme Court in the Goose Creek case. A railroad in Texas had earnings which gave it income in excess of the percentage contemplated by the Transportation Act and believing the Interstate Commerce Commission would move to have the railroad hand over half of the excess, under the "recapture" clause of the Transportation Act, the railroad went to court to enjoin the commission. No less than nineteen railroad companies, among them some of the large systems, interested themselves in the case.

Last spring the lower court surprised everybody by deciding against the Texas railroad, on the ground that the recapture clause provides new methods of taxation, and pretty nearly all the world now knows that a taxpayer cannot stave off a tax with an injunction. On January 7 the Chief Justice remarked that the Supreme Court placed its decision on different grounds.

In fact, it brought the case squarely under the commerce clause of the Constitution. The substance of the court's conclusion was that the method laid down in the Transportation Act, of having the Interstate Commerce Commission keep in mind during its consideration of rates a percentage which would be reasonable, and in so far as earnings of a road proved to exceed the reasonable percentage to take back half to go into a fund to help weak roads, is a proper way to deal with inevitable divergencies in the situations of competing railroads.

Tinkering With It May Do More Harm Than Good

(Copyright: 1923: By The Chicago Tribune)



He Sells Billions of Penny Candies

By GEORGE CARY



Henry Heide makes over 45,000,000 pounds of children's sweets yearly

the weight of all sugar consumed in the whole United Kingdom a hundred years ago. Our own consumption of candy has increased faster, perhaps, than has that of any other one item of food.

Candy-making today is a giant industry. We pay tens of millions for candy, every year—yet the individual pieces often sell for a cent, ten for a cent, or even less. I have just come from a trip through one of the largest factories in the United States. Its yearly output is over 45,000,000 pounds. To grasp that, reflect that in a pound of certain makes of candy, there may be 25, 50, or 100 or even more pieces; how many pieces, then, how many penny transactions at retail, are involved in final distribution of this firm's output! Colossal it is, infinite, beyond computation. An

sells for a cent. Truly a smashing example of the power of mass production.

I rode up on one of the great freight elevators that carry these crude foods up to the ninth floor. Here boxes, bags and barrels—many marked with the names of queer, far-away nooks of the world—are burst open, their contents to start by chute, pipe or hopper to the mills, roasters and kettles on the floor below. That bag of almonds from far-off Malaga, for example—first to the sorters, then the roasters, the grinders and mixers, and by nightfall, as almond paste packed in nicely lithographed tins, it's all crated and addressed and on its way to a great maker of cakes, candies or macaroons, out in St. Louis or elsewhere.

Mr. Heide himself at 78—keen, spry, interested and interesting—is at his factory every day. With his four sons, all in the business, he is Henry Heide, Incorporated. Fifty-four years ago—in a basement room—he began alone to make candy. Nine times his shop has been enlarged; today he employs more than 1,000 people, and ships to a dozen countries. To make candy the best, at popular prices, seems the formula of success that has made this one of the biggest manufactories of its kind in the world.

"In candy making, competition is very, very keen," Mr. Heide told me. "On many lines, the margin of profit is so small that we must constantly weigh and check; slight overweight on most products would mean a considerable loss. . . . Then, there's the adventure of buying. We use over 60,000 barrels of sugar a year, tens of thousands of gallons of corn syrup, hundreds of tons of almonds, perhaps a million cocoanuts—to say nothing of tons and tons of other crude foodstuffs.

"Every day carloads of finished goods roll into our packing room. We simply must move this candy; instantly. To sell fast, we must meet competition; to meet it, we must keep production costs down—which means eternal vigilance.

If we buy sugar or nuts on a falling market, it means we take a loss; on a volume of business as big as ours, this loss might soon mount to enormous figures. . . . We must look far, then, and think fast. A revolution in sugar-growing Cuba, or a strike among almond pickers in Spain, hits right at our cost sheet; and through us it hits the pennies in the pockets of the youngsters who eat of the thousand and one Heide products."

In one vast room I came upon long, broad tables piled high with candy dogs. A penny each these dogs sell for, and from Plymouth Rock out to the Golden Gate these "Boston Bulls" move in steady procession through thousands of retail shops.

"It's a lucky day in the candy business," explained Mr. Heide, "when we hit on a new design that really goes. One of the problems of competition and distribution is to find a particular piece of candy that can really be popularized. Taking a chance on a new shape, style or color in candy is just as risky as staging a new play. No matter how many



There are more of these candy dogs in the United States than real dogs

EVER SINCE Eve picked the apple, since primitive man prowled the jungles for ripe fruits and berries—as a welcome change from his daily gorge of raw meat—sugar and sweet things have lured the human race.

At the Feast of Belshazzar, when the Hand wrote on the Wall, sweets made from sugarcane were on the Babylonian bill of fare. "Honey-bearing reeds"

they called cane in those early days in Iraq, where cane juice was first boiled to sugar. There, too, the world's first candy was made; to this day, in the picturesque bazaars of old Bagdad, and at Mossul, by ruined Nineveh, Arab candy makers squat in their gaudy booths, selling "molubbus"—or candied nuts, and nougat—which is like the nougat we know, for we learned the art from the Arabs.

Curiously enough, the "manna" still sold over there in the old Garden of Eden is much like certain candies sold here in the States, made from imported gum arabic.

The "sweet tooth" seems a universal human attribute. In remote regions of the Middle East, cones of sugar pass freely as money. Bedouins often give battle to camel caravans carrying sugar, and men are killed in this quest for food that tastes sweet. Since sugar cane spread over the world, and we began also to get sweet saps from beets and corn, candy-eating has increased enormously.

One Yankee factory I know now turns out more candy, every year, ton for ton, than

amazing example of how complex, yet how accurate our machinery of distribution is.

From this big factory every year comes candy enough, placed one piece after another, to reach nearly around the world! In over 300,000 stores and other places its goods are for sale; yet outside of New York City, it uses only five road salesmen—and they are out but a few months each year.

Assembling the World's Sweets

ON HUDSON Street, in Lower New York, this big candy plant lifts its head; Henry Heide, Incorporated, its sign reads; and to the student of commercial geography here is a graphic picture of man's mastery of nature. Into this huge building there pours the year around a stream of raw products from all the markets of the earth. Sugar, corn syrup, licorice, cocoanuts, almonds, gum Arabic, fresh egg whites, gelatine, fresh fruits, figs, dates, peanuts, corn starch, cocoa beans, and a large variety of other products—think of the millions who toil to help make a candy dog that



Transportation is one sympathetic system

TRANSPORTATION utilities on water, rail and highways form one sympathetic system, like the veins and arteries of blood transportation. In the beginning there were lines trailed across the wilderness by horses' hoofs and wheels—fore-runners of railroads and smooth, hard highways. Progress continues, and now multiplied facilities make more adequate the whole modern system of transportation.

In the light of the close relationship of all facilities to transportation as a whole we understand the true utility of the motor truck and motor bus. They can do certain necessary work better, quicker and more economically than other carriers, and for this reason only they have come into wide use.

Where rails end and where boats dock, highways carry on.

The motor truck today is found serving every industry—at freight terminals, in making short hauls, in handling express—giving rapid movement to goods from the source, through innumerable channels of distribution. It closes the gaps from rail ends and wharves to final destination—service that creates freight.

People, too, must move. So, with the need for greater facilities, the motor bus has entwined itself into the great system of transportation as an aid and feeder—as an auxiliary to interurban, electric and steam lines. As a more flexible unit it solves the one great and common problem of American cities—relief of traffic congestion. It serves the greater convenience of the American public, quick to seize upon new facilities for speeding its labors, adding to its creature

comforts, promoting its ease, pleasures and pastimes.

There is a growing recognition, a frank recognition of the mutual dependence and close relationship of all transportation facilities. The motor truck and motor bus have brought a greater development of the highways. Through them rails and highways are more effectively joined together. White Trucks and White Busses play this definite part in the vast transportation activities of the country. Motor fleets augment and broaden the service to the public and prove the soundness of the business judgment of such familiar transportation factors as the Pennsylvania Railroad, Southern Pacific, Santa Fe, New York Central, Canadian Pacific, Missouri Pacific, Chicago, North Shore and Milwaukee, to cite a few of many, as well as more than 100 electric railway and traction companies and the large express companies.

Our great system of transportation in America has developed through the devotion of great interests and great resources to its needs. The solidity and security of these interests depend on the clearness of their conception of transportation as one sympathetic system. Commercial necessity and public demand have always regulated the course of transportation developments. Just as these two factors have brought our system to its present point of broad usefulness, so will they guide its future.

The problems of transportation must be approached with a sympathetic understanding that they reflect the financial, political and public intricacies of one sympathetic system. In this way only can it advance to the heavier demands ahead and be made to endure.



Assuring continuous, reliable transportation everywhere

THE WHITE COMPANY CLEVELAND

previous successes you may have staged, each new one is a wholly new venture; you can't tell whether it'll win or lose till you try it out. The American Child is your first-nighter, so to speak.

"Here—see that penny Teddy bear, made of marshmallow and covered with brown chocolate? Well, he's a knockout. Sells for a cent, and a steady money maker. But that bilious-looking old man with the weeping willow whiskers, ouch! He's just as good to eat as the bear, but he doesn't look good to the children."

Speculating on Styles

CANDY styles vary in different countries, I also learned. Goods sent to Cuba have fancy Spanish names, suggested by Havana dealers, and are made up in forms and colors to please the Latin fancy. No candy showing traces of dark color is sent to China, because black there is a hoodoo shade. To Liverpool, Heide sends many tons of candy a month; they, likewise, are specially packed and labeled to suit conservative British tastes.

High up on the top floor we found the laboratory—a mysterious array of electric ovens, test tubes, glass jars of odd-looking messes, bowls of what seemed to me only colored mud, and piles of unlucky candy dogs, innocent young gumdrops and helpless chocolate Teddy bears, all waiting to be experimented upon.

Here and there a studious, white-robed chemist sternly beat a passive almond to a pulp, or stewed a lone prune, for no better reason, apparently, than to see it suffer. One scientist, deep in thought, concentrated his scrutiny on a chemical combat that waged in a hot tube between a gob of syrup and a splash of red coloring matter. Another speared an inarticulate gumdrop, thrust it into a jet of steam, then peered hopefully at it, as though half expecting the flabby thing to cry aloud for mercy.

Candies for All Climates

"EVEN a candy maker must have a few little secrets," chuckled Mr. Heide. "Sea trips, especially over the equator on the way to the Argentine, are hard on gumdrops, or any other candy. We've got to make 'em so that they'll stay soft—yet not get too soft and stick together. Goods that will stand the voyage to Liverpool may need different treatment if sent to warm, humid Missouri in July or to hot, dry Sacramento in August.

"So here, too, as in other industries, the commercial chemist is playing a more and more important role. Take chemistry, and its aid in keeping colors pure. On the use of good, safe colors and clean ingredients depends the health of our millions of customers—and our own good name. To no other phase of candy-making is more meticulous attention paid. So jealously do we watch the color question, that whenever we read in the papers of a case where someone's illness is laid to candy, our National Confectioners' Association at once investigates. And, since it adopted this policy forty years ago, it has yet to find one authentic instance where illness resulted from the use of bad or improper ingredients in manufacture. All the colors the 1,000 or more American candy factories use are certified as pure, by government officials, under the Pure Food Law.

"You keep asking me," interposed Mr. Heide, "how such an enormous factory can be run at a profit, when most of its output sells for a penny, or less. You forget that the penny circulates by the million, and is still the coin current among children—whose first impulse is to spend their pennies for

candy. Nor do many people know this—that 60 per cent of the candy consumed in this whole country is sold by the penny's worth. We turn out over 1,500,000 pieces a week of a certain candy that sells two for a cent.

"Also let me point out another significant change that has come over this business in the past few years. Time was when candy making was 'seasonable.' In hot weather, because our processes were primitive, we had to slow down on many soft goods—that 'ran,' or 'stuck.' Modern chemistry, as I explained, has saved us from that predicament. Machinery helped, too. Then again, certain hard goods can be made in hot weather and remain perfectly wholesome and edible for many months. We once had to lay off men when hot weather came; now they work on such hard candies.

"There's our Easter goods. That fancy piece there, that white rabbit and nestful of eggs—all hand-made—sells for a nickel. We make up many thousands long in advance of Easter."

For pouring, moulding, coating and finishing candy—far faster than ever a man could do with his hands—certain curiously clever machines are now used. One I saw turns out 7,200 pieces an hour. Some candies go to the drying rooms, sprayed with powdered sugar and fine starch; others, like chocolates, are borne from the machine on long, wide belts that run flat on tanks of cold water—thus cooling the candy. As certain of these pieces were carried on this long belt, girls standing on either side laid halves of walnuts or pecans on top of each piece. At the end of the belt, packers took up the job.

"Here's the automatic machine, bug-bear of all old craftsmen," I said. "When you installed these, how did it affect the groups who used to do all this by hand?"

"They kicked, at first," explained my host. "Feared they'd lose their jobs. But what happened was this: We made so much more candy, developed so many more new lines, and increased our output so much, that we not only took care of all our older help but now constantly seek for more—of the right kind. Middle-aged men work better than young ones."

As Mr. Heide intimated, hitting the fickle fancy of the public seems to be as big a factor in making candy as in building automobiles. In the "marzipan" department—in which the candy is made largely of almond paste—I saw the art room, where temperamental, poetic minds groped for new styles and patterns.

Here were candies cleverly formed and shaded in startling imitation of nature. One piece showed a perfect bunch of asparagus

tips; another a slice of cheese; here a sausage, or the half of an apple with brown seeds, a bit of twig and a green leaf attached; there an inviting ham sandwich, nicely smeared with mustard! Here, too, one dreamy old artist in studio smock and eye-shade fondly traced the yellow feet of an Easter chicken, just stepping out to see the world.

Fifty years ago Mr. Heide, peddling his candy personally from store to bake shop, noticed how hard bakers worked with mortar and pestle, pounding almonds into paste for use in their confections. Why not make almond paste in bulk, he reasoned, and sell it to bake shops and housewives? He tried; it worked. Thus he founded the almond paste industry in America. Heide himself makes, packs and distributes more almond paste than anyone else on earth.

Drug stores like to sell licorice drops, lozenges and pastilles, with their own names stamped on them. Mr. Heide noticed this. To supply this drug store trade became one of his specialties. In one heap I saw licorice drops enough to pave a block on Pennsylvania Avenue—made by Heide, but stamped with the name of a well known chain drug store. All my life I'd heard that workers in candy shops get foundered on free sweets the first day they're on the job—and ever after eat but little. That's wrong. I saw grizzled veterans in the Heide shop who'd juggled candies for 30 years—yet all day they moved about with one cheek out, like a monkey with a mouthful of banana.

In the marshmallow packing room I saw a long row of pretty girls, all in white, each with her name embroidered on her peaked, starched cap.

"Maria," the foreman said, "was a swift packer." I watched her nimble fingers as she swiftly packed box after box.

"I work by piece," said she, in answer to my queries. "Last week I made \$26."

Five years ago Maria got here from Naples.

Prohibition, I was told, is not booming the candy business as many gastronomic prophets said it would. When the dry spell struck, certain liquor men turned to candy-making; now they've mostly drifted out again.

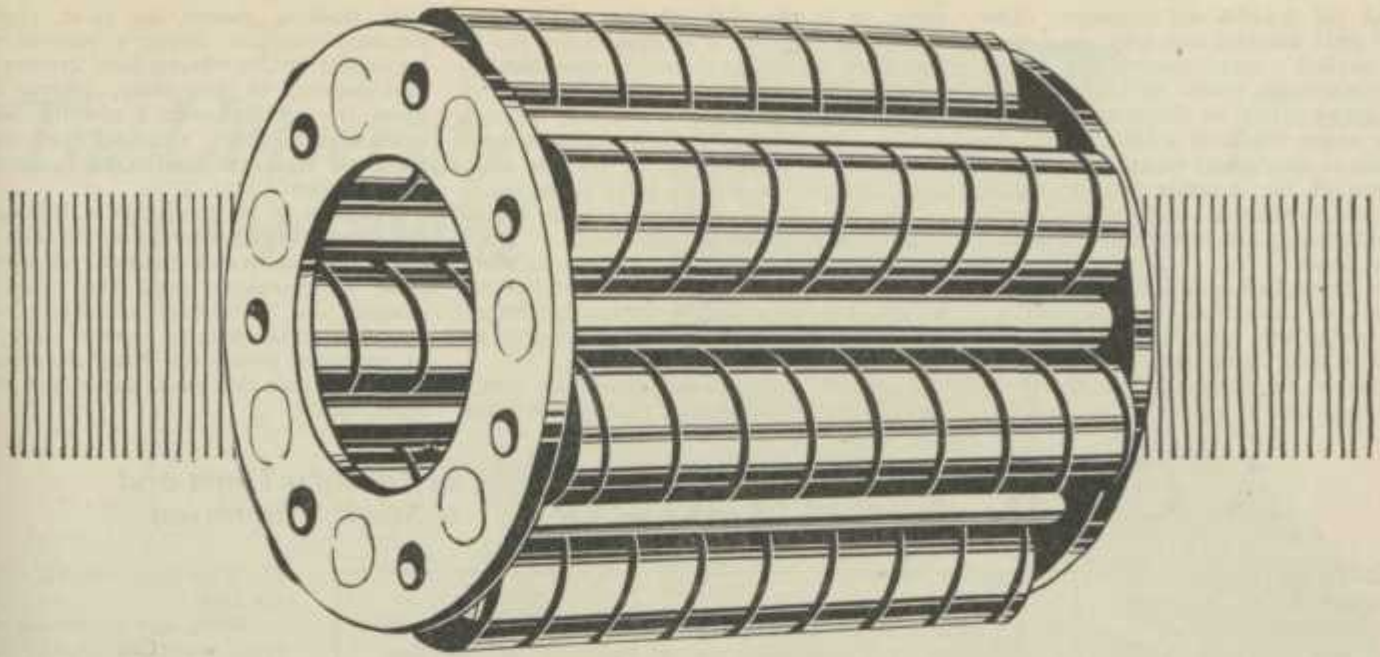
"Another peculiar phase of public whim is the way its appetite shifts from one candy to another," said Mr. Heide. "For years people will eat a certain kind of candy, then suddenly the demand ceases. Why? Nobody knows. Often it revives. That's true of cocoanut candies. A few years ago, demand shrank to almost nothing; today, cocoanut candy is coming back strong. We use 4,000 cocoanuts a day."

A pronounced feudal spirit pervades this big shop. When it had been running 50 years, a jubilee was held; much feasting and song, and a great gold bronze memorial tablet given to Henry Heide, inscribed with the



Seventeen scientists examine a gumdrop

JOHN L. LUNA



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names of 141 faithful old employees. Two thousand eight hundred and sixty years their service totalled. Some started with Heide half a century ago, when from a basement shop in Spring Street, he delivered his output with one wagon drawn by a blind horse. "A testimonial of affectionate regard and grateful recognition of the inspiring integrity, good counsel and thoughtful consideration steadfastly displayed by him toward his employees," the tablet reads.

"We've never had a strike, and minimum wage laws aren't needed to get justice for us," one old worker told me. "The greenest new girl worker gets more than the minimum wage." Among all these hundreds Mr. Heide and his sons move, calling every man by

name, as in the clans of the middle ages. Not a machine, not a process, not a job in the whole big shop, no matter how humble, to which the owners do not lend a hand, if needed. Pensions are paid the old; the sick and injured are cared for. Restaurants there are, with good meals served at less than cost; roast beef for 6 cents, pie for 3 cents, etc.

"No, it's not a profit-sharing shop, in the usual sense," explained Mr. Heide. "Stock is all owned by my family; but we do share profits by paying high wages, and seeking always to make our people comfortable, happy and contented. To their faithful support we owe our success."

I walked out—through clouds of starch dust, passing pounding mills where cocoa beans

were cracking, passed the giant, thumping gundrop moulders, among a hundred whirling copper kettles wherein hard candies tumbled riotously to their shiny, lustrous finish. From the packing room I saw the fleet of laden trucks depart, with big cases marked for East, West and South, for England, the Argentine and China.

I thought of candy-makers in Belshazzar's golden age; of Nebuchadnezzar's foolish boast against the wonders of Babylon; of what his crude candy-makers might say, could they glimpse our Bagdad-on-the-Subway where one man makes licorice enough every week to pave the streets of Babylon—gundrops enough to sink the whole Tigris fleet of old Sennacherib!

A Civic Campaign: *The Tale of a Town and a Stock Promotion*

THINGS ran along for a couple of weeks, the newspapers playing up the matter for a few days until other matters crowded it out of the news columns, but I saw one day where the Fairchild Picture Corporation had got a charter and was ready to go ahead. A little later a Mrs. Menger who lives in my part of town came into the store and said she wanted my advice about an investment. She is a widow with a couple of children and just about enough money to get by on if careful; she told me she had just sold a piece of property for two thousand dollars and was thinking about investing the money in the new motion picture studio that was going to make Fairchild Super Films.

I asked her how she had come to get interested in the motion picture business, and she answered that a gentleman named Mr. Bolivar Tips had seen in the paper where she had sold this property and had called on her. She knew it must be all right because Mr. Tips had a letter from the Strodesville Chamber of Commerce. She said Mr. Tips had also called on several lady school teachers in the neighborhood who had a little money saved up.

This interview gave me kind of a jolt when I remembered Bolivar Tips had told our committee he might sell a little stock, but only in order to secure moral support; I couldn't see where the moral support of this Mrs. Menger and the lady school teachers was going to help much. I advised her to hang on to her money a little while and I would make some inquiries how things stood.

It happened that I was starting for New York the next day on my regular fall buying trip, and I figured I would look into the motion picture business as soon as I got back. On my New York trips I always stop over a day in my old home town in Indiana where my brother still lives. It happened I was there on the day their Utopian Club meets.

Travel is a great educator, and certainly it proved to be so on this occasion, for I'll be doggoned if there wasn't a fellow at that Utopian meeting up there in Indiana trying to work the boys to endorse a motion picture plant.

Listening to him, I couldn't help thinking there must be a correspondence school somewhere training fellows for motion picture promotion work.

When I took the train that night to continue my trip to New York I was consid-

HERE'S the second and final installment of J. R. Sprague's short story of Strodesville and Bolivar Tips. Mr. Tips was prepared to bring to Strodesville a moving picture business with a famous star and a famous author and all he wanted from the Chamber of Commerce was "cooperation." No bonus, mind you, just a letter, and he got it. Now go ahead with the rest of the story.

By J. R. SPRAGUE A Two-Part Story—Part 2

erably disturbed. In the first place it made me mad to hear any other town praised instead of Strodesville, and then my confidence in Bolivar Tips was a little shaken.

I finished up my business in New York during the first couple of days and then I thought I would go around and do a little secret service work. First of all, I looked up Cyrus Huff, the author. It was a little hard to find him, because when I went to the apartment house where the telephone book said he lived I could only see his wife, and she said Mr. Huff did all his work down town in his office and she wouldn't tell me where that was because he couldn't be disturbed by callers. She wouldn't relax on this stand until I had the bright idea of saying I was a friend of Mr. Bolivar Tips and it was on his account I wanted to see her husband.

"Oh," she said at this, "if you're from Bolivar Tips, I'm sure my husband will be glad to see you," and she gave me Huff's address.

Uncovering a Past

THIS WAS on the top floor of one of the old office buildings close to Union Square, and directly I knocked a voice told me to come in. Cyrus Huff didn't look much like a writer of red-blooded fiction, being about the skinniest person anyone ever saw, with a bald head and wearing big round glasses.

He was friendly enough though after I introduced myself, and when I told him I had come from a friend of his named Bolivar Tips he got interested right away. "I'm certainly glad to hear from Bolivar," he said. "Was he wearing a long brown fur overcoat when you last saw him?"

I said our climate in Strodesville was too delightful ever to need a fur coat, but maybe

Mr. Tips kept it in his room at the hotel.

"Don't call it *his* fur overcoat," remarked Cyrus Huff, sadly; "if he has still got it, which is doubtful, call it *my* fur overcoat. I loaned it to him a year ago last January. I've been writing him letters whenever I could find out where he was, telling him he could forget the money I loaned him at the same time, but that my wife insists

on my getting the overcoat back."

I remembered that Tips had only showed us the envelope with Cyrus Huff's name on it, and not what was inside. "He's starting a picture studio in Strodesville that is going to put our city on the map," I said, "and we sort of understood that you were going to come out there and write the stories for him."

At this Huff laughed again and said Bolivar Tips didn't need anyone to write stories for him if he could think up things like that. Then he told me his only connection with Tips had been a year or so before when Tips had done a little press agent work for him, ending up with the loan of some money and the overcoat. He had heard since that Tips had worked a few months for one of the big motion picture companies in California.

This wasn't very encouraging news for me, who was partly responsible for the present moving picture movement in Strodesville. I shook hands with Cyrus Huff, who followed me to the elevator and whispered, "It isn't exactly the overcoat, you know. It's the wife. She warned me not to lend it to him!"

I went up to the address that I remembered seeing on the letter Bolivar Tips had showed us from Fairchild. It was on one of the side streets off the Broadway electric light district, an old brown stone house with a sign on the front, "Rooms and Board." The landlady let me in, and when I inquired if Mr. Fairchild lived there she told me to go to the third floor landing and knock at the door numbered 34. A tall young man in a bathrobe and a cigarette hanging from his upper lip answered my knock. I asked him if he was Mr. Fairchild the actor and he said "Yes." He didn't look much like the Fairchild pictures I had seen on the screen but the room was sort of dark and then of course I knew that actors fix themselves up a lot when they do their parts. I told him I had come from Bolivar Tips.

"Yes, yes," he answered, "did Tips send any money?"

When I told him I had not brought any money he seemed terribly dejected and sat

The University of the Night



THE young Lincoln, poring over borrowed schoolbooks far into the night—seeking in the dim light of his log fire the transforming light of knowledge—eager to grow—eager to do—here is a picture that has touched the hearts of men in every country on the earth—here is an example which, for three score years, has inspired the man who strives against the odds of circumstance to make his place in the world.

To-night, in cities and towns and villages, on isolated farms and on the seven seas—thousands of men will drop their daily labors to fight, beneath the lamp, the battle that Lincoln fought—to wring from the hours of the night the education of which circumstance deprived them in the days when they might have gone to school.

Up from the mines, down from the masts of ships, from behind counters and plows, from chauffeurs' seats and engine cabs, from factories and offices—from all the places where men work they will go

home and take up their books because they yearn to grow, because they seek higher training, greater skill, more responsibility, lives more profitable and work more satisfying.

Some of them are men who work in one field whereas their talents and desires are in another. Some, happy enough in their field of work, are halted in their progress because they do not understand the higher principles of their business or profession. Some of them left school in boyhood because poverty made it necessary; some left because they did not realize then as they do now the value of an education. And some have need of special training which they could not have anticipated, or which they could not have obtained in public schools.

Fifty years ago these men, some of them married, all of them with a living to earn by day, would have had no place to turn for the courses of study and for the personal guidance that they need.

Thirty-two years ago there

was founded a school to help them—a school created for their needs and circumstances—a school that goes to them no matter where they are—a school whose courses are prepared by the foremost authorities, whose text-books are written for study in the home, whose instructors guide their students by personal correspondence.

Created in response to a need, the International Correspondence Schools have developed their scope and usefulness with the growth of that need. Beginning with a single course in coal mining, these schools have become to-day an institution with courses in 304 subjects, covering almost every technical field and practically every department of business.

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There was a big uproar at the meeting

down on the bed holding his head in his hands. After awhile he roused up.

"Look here," he said, "if you're working with Tips on that picture proposition out there in that hick town, maybe you can tell me what the prospects are. I can't wait forever."

"Then Strodesville isn't the first city Tips has been working in?" I asked.

"Thunderation no!" Fairchild answered. "Here for three months I have been writing the kind of letters he told me to. I wrote in succession that I would love to live and work in Pueblo, and Tulsa, and San Antonio and Bartlesville, but he didn't connect up with any of them. If he don't get going in this Strodesville or whatever its name is, I'm through with him."

"All right," I said, "suppose you give me a letter saying that. I'll be back there in a couple of days and give it to him. Make it strong."

The Old Envelope's Clue

HE PICKED up an old envelope from the bureau and wrote on the back:

"Tips: Other people are getting away with it. Why can't you? I'm sick of waiting. Roy Fairchild."

On the way back to my hotel I read this over two or three times, and somehow the name Roy didn't seem to fit. I thought maybe his writing was at fault, but when I turned the envelope over his name was plainly typed on the front. Mr. Roy Fairchild, New York City. The rest of the day I spent calling at several of the motion picture offices whose signs I saw on uptown office buildings, and that night I took the train back to Strodesville.

When I got home the prospects of making

a motion picture center of our city seemed bright enough to have roused even Fairchild himself if he could have been there to see it. The Utopians had got behind the proposition and were making a whirlwind campaign, getting pieces in the papers every day which alluded to them as members of the Leading Luncheon Club of Strodesville. It was through the Utopians' influence that the Chamber of Commerce allowed Bolivar Tips to hang a big sign across the front of its building to advertise his stock selling, and also the Utopians who prevailed on the street car management to let him string banners on the trolley cross wires, square pieces of cloth that looked like motion picture films with a separate word on each one so that the pedestrian going up Market Street would read:

MOTION—PICTURES—MEAN—WEALTH
BUY—STOCK—NOW.

Then there was that big wooden thermometer in front of the post office that showed every day just how much stock had been subscribed, and the day I got home it had run up to \$78,000. Bolivar Tips, along with Herb Almy and Russell Hart, the realtor, had resolved themselves into a stock-selling committee, and a meeting was to be held the next evening to consider the advisability of doubling the capital stock.

I hadn't bought any stock, but the newspaper notice said that all who were interested in Strodesville's future would be welcome.

The meeting was held in the K. P. hall, and I'll say it was a mixed crowd. A good many were small investors, railroad employes, mechanics, and women school teachers who had bought a hundred or two dollars worth

of stock and expected to be millionaires in a few months, but also there were a lot of hard-headed business men present who were ordinarily able to look out for themselves pretty competently. It was, in fact, old Nathan K. Bass, president of the Bass Iron Works, and an ex-president of the Chamber of Commerce who acted as chairman, a feature in itself to inspire confidence.

Nathan K. opened proceedings with a statement that he did not ordinarily become excited over the propositions that were continually being put up to communities by outside promoters, but here was one that had been thoroughly investigated by a committee of the Utopian Club, had been O. K'd by the Chamber of Commerce, and there was not one thing about it that could be criticized. For himself, he had already subscribed to a thousand dollars worth of stock and stood ready to take more. He sat down to thundering applause, a thing Mr. Bass quite likes.

Painting the Picture

BOLIVAR TIPS followed Nathan K. Bass as speaker, and I will say the boy did himself proud. He painted a picture of Strodesville as it might be in a year or two when it had become the world's leading picture producing center, with celebrities all the time walking up and down our streets, their pockets bulging with money to spend with merchants.

Thinking this would be a pretty good time to horn in, I stood up and said I might want to take a little stock but I wanted to ask a question or two about it first. I think Tips scented trouble, because he said sharply that I had been on the Utopian committee and ought to know all about it. I said, yes, I ought to, but I sort of disremembered who was going to write the stories for Mr. Fairchild and I wanted to get straight on that.

"You know I made no promise about that," said Tips haughtily, "but I have every reason to believe the scenarios will be written here in Strodesville by my old friend Cyrus Huff."

"In that case," I said severely, "you ought to be ashamed of yourself. You know Mr. Huff is a delicate man who can't travel without his fur overcoat, and you've got that!"

I suppose the crowd thought I had gone crazy, but Tips caught my meaning quick enough. He tried to bluster it down.

The Faker Exposed

"IT DOESN'T matter," he shouted, "who writes the stories for a genius like Fairchild. People will go to see his work anyhow. If you don't want to buy stock in the Fairchild studios, you needn't. No one asks you."

"I know that," I answered, "but maybe I do want to buy stock. The main thing is to find out who your star really is. I've got a note in my pocket from a fellow in New York who says you are his manager, but he signs himself Roy Fairchild. And they told me in those motion picture offices that Roy Fairchild is in Alaska for a year!"

From then on I don't exactly remember what happened to the meeting, only there was a big uproar with a lot of mad business men and crying lady school teachers. Bolivar Tips slipped off in the darkness and got out of town the same night. There was some talk afterward about trying to locate him and bring him back, but it turned out that he hadn't got any money because that was being held in escrow by a stockholders' committee until all the stock should be sold. Besides, all his sales talk was true. He did have an actor named Fairchild. He had been a friend of Cyrus Huff. And certainly Strodesville has got scenery and climate!

Montana



A view of Butte, Montana

Photo by Cloud



Beet Sugar factory, Billings, Montana

Photo by Cloud



Photo by Lyle

Cities of the Treasure State

Photo by Cloud



A view down one of Great Falls' business streets

Above—Montana State Capitol, Helena
Below—University Hall, University of Montana, at Missoula

A state rich in enormous natural resources. A state of prosperous, thriving cities. That is the Montana combination!

Modern cities, you will find them—schools, colleges, churches, homes, theaters, hospitals, streets are all the finest. Nothing old, nothing out of date. Everything the latest, the most modern, the best. Their schools are rated among the finest of the nation. They rank with the healthiest cities in the country. Climate and the beauties of a scenic wonderland combine to make life in Montana cities enjoyable.

Typical of Montana's cities are: Butte, population 58,000, the largest city in the state and "the world's greatest mining city." Great Falls, population 27,767, the second city of Montana, a flour milling and smelter center located in the heart of a rich agricultural and cattle district. Billings, population 16,927, heart of one of the richest valleys in the state and beet sugar producing center. Helena, capital of Montana, population 12,037. Missoula, Montana's University City, population 12,668.

Other Montana cities of importance are: Anaconda, the great smelting city; Kalispell, main city of the Flathead Valley; Bozeman, capital of the rich Gallatin Valley; Lewistown, chief city of the Judith Basin; Livingston, entrance to Yellowstone National Park; Miles City, livestock center; Glendive, in the Yellowstone Valley; Havre, agricultural and railroad town; Glasgow, center of the Milk River irrigation project.

These are the cities of opportunity! The Pacific Northwest is growing five times as fast as the rest

of the United States—they are part of it. The Pacific Northwest is immeasurably rich in millions of acres of fertile farm lands, timber, minerals, oil, water-power, in such unsurpassed natural grandeur as that of Glacier National Park—all this wealth is their heritage. Here come more quickly and richly the rewards of planning and saving and working. Here are the cities of opportunity for you.

A letter to any of the officials listed at the right will bring you additional interesting information about the Pacific Northwest in general, or any particular phase of it. Mention any subject in which you are especially interested.

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Don't Worry About the Northwest

By G. R. MARTIN

Vice-President, Great Northern Railway

THERE has been a great deal of pessimism expressed in connection with the financial situation in the northwestern states on account of the disappointing results from crops in recent years, particularly in North Dakota and in those sections of adjoining states which place their main dependence upon wheat. It is true that the one-crop wheat farmers are experiencing hard times and many of them are in practically a bankrupt condition. This, however, is part of the process of evolution through which the older states of the West have passed with similar experiences and they have, by changed methods of farming, brought themselves into a generally prosperous condition.

The history of opening up a new country has been, first, the rush for the free or cheap lands and in the crowds were many men who never were farmers and never intended to be farmers, at least not permanently. As a result the farming methods in the new countries were not always of the best and the lands changed hands as the original holders gave way to real farmers.

Many of these occupants of lands were looking for the easiest way to get along. They were "riding" farmers. They wanted to ride when plowing and seeding and they wanted to ride when reaping. A wheat farm is ideal in that respect and also as to quantity of labor required to operate it. The working program, as far as it relates directly to the production of the crop is about as follows:

Rotation and Change of Crops

AFTER the frost is out of the ground in the spring, the seed wheat is planted, furnishing steady employment for a few weeks; the crop needs no cultivation or attention during the period of growth of about ninety days, when it is ready for harvest. From that time until the threshing is done and the fall plowing is completed, ready for the next year's crop, there is continuous work for a period of sixty days to ninety days and then there is practically nothing to do until the next seeding time. That really means the use of the plant and of the labor of the farmer for about one-third of the year. No other industry could prosper under such conditions.

It has been determined first, by the slow process of experience, and later through the development and application of scientific principles, that land which, when newly cultivated, is ideal for the production of wheat, becomes less and less so as time goes on, until in the course of fifteen or twenty years, those particular soil ingredients which go to make up the wheat crop become exhausted. This is the story of the older portions of the country which originally were given over to the raising of wheat as the principal crop.

The answer to this, of course, is rotation of crops or an entire change in the kind of crops produced. Much can be done to restore the land by leaving it idle for a year, and "summer fallowing" it, which means that, during the summer, after the weeds are well grown and before they have gone to seed, the land is plowed and harrowed so that the double result is secured of giving it a rest and of killing out the foul seeds which find their way into those portions of the country where they did not originally exist.

Another way to accomplish an improvement is by rotation of crops; for example, a piece of land long used for wheat may be planted to corn which requires cultivation during its

period of growth, with the result that, in the following year, if wheat is planted, that crop, other conditions being equal, will be much improved over the last previous one.

Of course, the raising of corn implies animals to consume it, as the best results from a corn crop are secured by keeping it on the farm and marketing it in some other form, which means hogs or other livestock. The cultivation of corn and the handling of livestock require much more labor than the raising of wheat and when the stock takes the form of dairy cows, the farmer has a steady job laid out for him twice a day for every day in the year—a vastly different working condition from that of the wheat farmer growing wheat alone.

One Man's Experience

WHAT follows is a rather intimate recital of personal affairs and for that I ask the reader's kind indulgence. I use it because it well illustrates the points I am trying to make.

I spent my boyhood days in an agricultural community in southern Minnesota. The conditions then prevailing were typical of the present situation in North Dakota and the adjoining wheat-raising sections, and I believe that the remedy for the present wheat farmer's plight is the same as that which was applied in my experience.

In the early '70's, southern Minnesota (and particularly the southeastern portion) was engaged in the raising of wheat. Wonderful crops running from twenty-five to forty bushels to the acre and consisting of beautiful fat, brown kernels known as No. 1 hard were produced.

The last good wheat crop in that territory was in 1877. In 1878 the crop failed. By failure, I mean that the crop was comparatively very poor, consisting of a small yield of shriveled or shrunken, white-colored berries which naturally took an inferior grade in the market. At the moment, the failure was looked upon as temporary. However, the crop similarly failed the next year and in following years, so that the financial condition of many of the farmers was desperate and fairly comparable with that of the single-crop wheat farmer of 1923.

How Values Are Built Up

AT THAT time, there was comparatively little knowledge about the wearing out of land and that little had been gained by the hard knocks of experience. The present methods of soil analysis and the results of the scientific experiments of later years, with reference to the exhaustion of the soil for a particular crop, were not known; but it gradually seeped into the minds of those farmers that they were through raising wheat as a single, or as a main crop. Then came diversification with the dairy cow as its mainstay.

In my home town in Dodge County, Minn., there had been built before 1878 a cheese factory which had gone out of business on account of lack of patronage. I can recall in that immediate neighborhood two other abandoned cheese factories, and there may have been more.

In 1881, two men came to the neighboring town of Rochester, Minn., and established a

creamery which was later moved to St. Paul, and is now doing business there, having grown to large proportions. Those men started on a small scale because the raw material available from the adjoining territory was limited; but they provided a market for cream, resulting in the gradual building up of dairy herds in Olmstead, Dodge and adjoining counties.

For a time they used the old cheese factories but later abandoned them and shipped the cream in cans by rail to the plant at Rochester, which became the point of concentration and manufacture. As the dairy herds grew in size and number, the finances of the farmers in that section improved until they reached a prosperous condition, which has continued during all of the subsequent years and to the present time.

This is the history of my father and his contemporaries. The keeping of livestock enabled those farmers to restore the fertility of the soil so that after a time it was even possible to raise good crops of wheat. No one now plants a large acreage; but a twenty-acre tract put into wheat will, other conditions being equal, produce just as large a crop and of as good quality as that land produced in the '70's.

As a result of the improvement in the farmer's condition, the price of the land which, in the early days of wheat raising, was not to exceed \$25.00 or \$30.00 an acre for the best, gradually increased. In the late '90's, I closed an estate in Dodge County, which included a farm of 240 acres, well located, not far from town and improved with what was then considered a good set of farm buildings. A purchaser was found who was willing to pay \$65.00 per acre and the farm was sold at that figure, probably the highest ever obtained up to that time.

Fittest Still Survives

I HAD some doubts about accepting so high a price, fearing that the buyer could not make a return on that amount and might fail to complete his contract of purchase. However, he knew his business as a dairy farmer, and as a handler of other livestock, like hogs, which consume the by-products from dairying; and he did succeed along with all the rest of his neighbors who knew and attended to their business.

By that I mean that if there was a man who did not succeed, it was because he was not a good farmer, or not a good worker, and of course there were such who, in the process of evolution, dropped out and gave way to more competent farmers. In other words, the rule of the survival of the fittest applied.

I have been told that, during the late war when there was a land boom, that farm and others similarly situated were thought to be worth as much as \$300.00 per acre and were not for sale even at those high prices.

All this to my mind is indicative of what must and will happen to the single-crop wheat farmer in the Northwest. He has got to get out of the single crop and substitute something else for wheat. He has got to raise corn and feed it to hogs and he has got to have dairy cows. Along with this will go the keeping of poultry and the raising of potatoes and other winter vegetables for his own living and for sale.

These things are already happening. A large produce firm with headquarters at Duluth, Minn., has primary markets for dairy and poultry products at Grand Forks and

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With the understanding there is no obligation, I will be glad to have a Burroughs man go over some of my figure problems with me.

Name _____
Address _____
Business _____

Minot, N. Dak.; a St. Paul firm has a modern plant at Devils Lake, N. Dak.; and there are others at different points, making a total of about fifty creameries in that state, all of which are increasing their business year by year. The 1923 estimates for North Dakota for other crops compared with wheat are as follows:

Spring wheat.....	56,466,000 bushels
Other grain.....	121,752,000 bushels
Potatoes.....	12,314,000 bushels
Hay.....	4,003,000 tons

For animal products, including livestock sold, dairy and poultry products and wool, the total receipts in 1922 were over \$52,000,000.

All of which indicates that substantial progress has already been made towards diversification, but much more must be done.

In Minnesota wheat now amounts to only about 6 per cent of the proceeds from agricultural products. The value of wheat in 1923 compared with all other grain and potatoes and hay is in the ratio of 1 to 13. In 1922, the value of dairy products was almost equal to the value of all the grain, hay and potatoes produced, and over seven times that of wheat alone. The value of products of poultry was two and a half times that of wheat.

The conclusion from all this is so plain that it need hardly be mentioned. The Dakotas, as far as the single wheat crop territory is concerned, are now in much the same condition as southern Minnesota in the early '80's, and to my mind the remedy to be applied must be that which was applied in southern Minnesota, from which the salvation of the Dakota country will be secured.

Therefore the outlook for the future not only is not hopeless but is bright and promising. Of course the change cannot be made in a minute. The building up of herds of cattle, hogs and sheep is a fairly slow process as much of it depends upon the natural increase, particularly when the farmers are in a depressed financial condition and are not able to secure the capital to make the change as rapidly as they might like to do. However, that again, is a repetition of what happened in southern Minnesota and the remedy is at hand in the present wheat territory as it was in the former wheat territory.

Montana is a great state in size, variety of resources and in future possibilities. The prairies were originally the home of great herds of buffalo which subsisted on the natural grasses. These were followed by similar herds of range cattle which practically took care of themselves on the free government lands that have later been broken up into smaller individual holdings. Many sections better adapted to grazing have been given over to cultivation with only partial success. The answer to this is to return to stock rais-

ing, which is the proper and profitable use to which grazing lands should be put. This is something that only requires time to bring the proper adjustment.

If the wheat farmer of 1923 is suffering from a world overproduction of wheat the obvious remedy is to raise less wheat and more of other things. But the farmer naturally inquires whether, if diversification is widely extended, there will not then be an excess of the articles so produced.

The potato situation, especially in Minnesota and the Dakotas for the past two years, is cited as an example. Until recently, the specialized potato-producing area in those

Loop contain good potato-producing land and large areas have been planted in this new region. In addition to that, the yield during the last two years has, in many places, been much above the average so that the rapidly increasing volume of production has outstripped the increase in consumption.

Potatoes, being perishable, have to be disposed of promptly and it is undoubtedly true that there has been an overproduction with unsatisfactory financial returns. This overproduction is a temporary condition which will be regulated by experience. It will be necessary to induce the new producing territory to use the methods which have been successful in the older territory.

That is; the acreage will have to be regulated according to the probable market; the methods of handling the potatoes will have to be improved; provision will have to be made for use of the smaller potatoes so that there will not be an overproduction and so that the best price may be secured.

The same question about overproduction may be asked as to dairy products should a considerable portion of the acreage now devoted to wheat, be turned into dairy farming. Any overproduction of that kind would seem to be a long distance in future, if it should ever come. This country imports more butter than it exports. Denmark and New Zealand send butter in quantity to the United States. Furthermore the population of cities is increasing so rapidly that any possible increase in the products from dairying and poultry raising will undoubtedly be absorbed without difficulty. The market is not local but country-wide. A central Minnesota creamery operator told me only a few days ago that his entire product goes to Boston.

Diversification in the sections now given over to exclusive wheat raising will not produce a glut of those products on the market which will make them unsalable nor depress the prices below the point of profitable production. The experiences of the other

states should guide the wheat raiser of the Northwest who will work out his own economic and financial salvation.

EDITOR'S NOTE: Few men in the United States have a better understanding of the farmers' problems than JULIUS H. BARNES, president of the Chamber of Commerce of the United States. Few men have given the subject more thought than he. He has some definite ideas of what the farmer can do to broaden and to stabilize his markets, and these he sets forth in an article in THE NATION'S BUSINESS for March. Mr. Barnes raises the question whether agriculture cannot best extend its markets by seeking a closer connection with industry in raising those things needed by the mills as well as those needed by the human stomach.

Facts About the Northwest

By JOHN H. RICH

*Chairman and Federal Reserve Agent,
Federal Reserve Bank, Minneapolis*

THE SERIOUS problems confronting farmers in the northwestern grain-raising area are the product of economic causes and are not to be cured by political or legislative processes.

1. The failures, foreclosures, and abandonment of land that have occurred are an inevitable part of a profound change and readjustment of agricultural conditions parallel to the reactions of the Civil War in the western areas then devoted to grain. They will continue until they have run their course, although they have probably reached their peak.

2. The future of agriculture in the northwestern grain-raising area has not been impaired. It has not lost an appreciable percentage of its capable men. It has been undergoing a drastic purging process involving the elimination of the unfit, the deflation of excessive land values, the collapse of credits built on an unsound basis, the wiping out of farming operations on marginal lands, and changes in the type of production and agricultural methods, which are tending toward the establishment of the business upon a sound basis.

3. Failures, abandonment of land, foreclosures, and other results of depression and distress in this area, have been given an emphasis out of proportion to their importance. The percentage of failure among the grain-raising farmers is not greater than the percentage of failures of banks in the grain-raising area, and is approximately the same as the mortality in commercial business within the same sections. The failure of those in farming looms larger only because the number is far greater than the number engaged in banking or other business activities.

states was confined to a fairly small territory immediately north of Minneapolis and situated principally in four or five counties on both sides of the Mississippi River. These counties have raised potatoes for a long time and have gained experience in handling them.

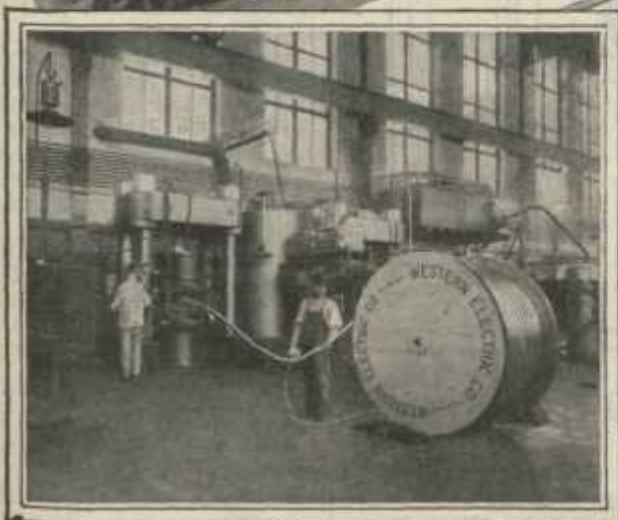
Starch factories are in operation using the small potatoes discarded from shipping stock. There is also an annual market in Texas and other southwestern states for potatoes of certain kinds for seed. The quantity of the seed potatoes thus required was determined approximately in advance and the acreage planted was only sufficient to meet those requirements.

Within recent years, it has been found that portions of the Red River Valley and west into North Dakota as far as the Mouse River

Then, a tug of war— now, a "reel" job



HEAVE, HO! In the old days, from eight to sixteen men were needed in the factory to pull a single telephone cable core into lead pipes—which, soldered together, formed the sheath.



HOW IT'S DONE TODAY. Now two men, operating this lead press, can cover more cable than the sixteen did the old way — and what's more, they do it better.



MOLDING TRANSMITTER FACES the old way. Another case of many men producing a small output—with much of it failing to meet the high standard required.



THE TRANSMITTER FACE TODAY. One man produces more than the crew of yesterday, and with a far higher percentage of perfect pieces.



THE pictures show the old and the new way, as applied to two manufacturing processes of many thousands in our factory.

Better work, quicker work, and yet with fewer men needed for each job—progress like this marks the history of Western Electric as a maker of telephones.

Improvements of this kind have made possible lower costs of manufacture and vastly increased production, and here you have two reasons for the vast number of telephones in the United States—more than in all the rest of the world.

Western Electric

SINCE 1869 MAKERS OF ELECTRICAL EQUIPMENT

How Our Store Makes Friends

THIS IS not the tale of a big, imposing store, but the story of a small store with a big business.

The clothing business was not a new venture with us when we started in our own new building over a year ago. We had previously been in business on a side street for five years, and later rented a store in the heart of the business district.

The rents on Main Street were boasted sky-high, and we decided to build a home of our own. We were fortunate in securing a lot just a few feet off from Main on a side street, directly next to a very popular theater, where we built our two-story building. We occupy the ground floor with clothing, hats, furnishings and a small amount of dry goods. We rented the second floor to a shoe store and later expect to rent the basement to an enterprising young fellow for a grocery store.

In marking our goods we always figure that small profits and many of them are better than big profits and few sales. Consequently, we sell at a close margin of profit. We fill the windows with merchandise and mark the price of each article plainly.

The name "Ten-dollar Tom" originated several years ago, when we made a specialty of ten-dollar suits. We sold hundreds of them, for at that time clothing was cheaper. We still sell ten-dollar suits; but we carry them as an accommodation to our customers who want them, for there is little or no profit in them for us.

We usually have one of the ten-dollar suits in our window. People will stop, admire and invariably say to each other, "Why that suit is eighteen or twenty dollars at So-and-so's. It's only ten dollars here; how can they sell it for that?" Of course, we can't sell it and make a profit, but it causes people to stop and wonder; it draws their attention to other merchandise in the window; it brings them inside. And once inside, we make it a strong point so to interest them in ourselves and our goods that they remain good customers forever after!

There is always a keynote of success in every business. Ours is very simple, but it's the most powerful one on earth! It's *Friendship*. We try to make a friend of every customer who enters our store. The extended hand, pleasant smile and cheery word greet him as he steps inside.

Grim faces relax, iron jaws spread in a surprised grin, bent shoulders straighten, and very often some poor old derelict will say, "God bless you, my boy; didn't think anyone would bother to shake hands with me!"

We give him the cheery word of help and encouragement, not for business reasons alone, for somehow or other it's our nature to do these things. It's just like this: kindness pays, and pays big; and the more happiness you give away, the more you have. The first thing we know this poor down-and-out chap comes in and says, "You gave me the courage and grit to go to work and start over again; I've got a good job; and I want a new suit of clothes." And we have made a new friend and a customer for life.

It surely is wonderful what friendship will do for a fellow in business, for one friend has a friend, and our friend's friend has a friend, and that friend may have forty-seven he-rela-



By Mrs. TEN DOLLAR TOM

tives who wear and buy clothing. Among the female relatives of all of these men are cousins and aunts who have husbands, brothers and sons. And so on *ad infinitum*! It sometimes happens that we are out of a certain kind of article that a customer wants. Does he depart empty-handed? Not he! He takes what we have, rather than buy elsewhere. Salesmanship plus friendship!

Talk of People He Knows

WE KEEP an alphabetical list of our out-of-town customers and the names of their towns. When a new out-of-town customer comes in, we learn where he lives, then consult our list of customers from the same town. The conversation runs something like this:

"Oh, you're from Jonesville; do you know Sam Jenkins, a carpenter, over there?"

"Sure thing! He's my next-door neighbor!"

"Do you know Ed Green, a big, tall guy with red hair?"

"I'll say I do! He drilled a well for me last spring."

And so on down the whole list. He knows them all and is impressed by the fact that they are our customers. He concludes that if his friends trade here, it's just the place for him.

Last summer it happened that one of Tom's houses was empty, and he was desirous of securing a tenant. This is the ad Tom inserted in the daily papers:

WANTED.—Family of 12 children to rent house, 158 Stewart Ave. Four bedrooms, 3 children to a room. Parents can sleep in attic. Rent this home for \$50. Come on, Kids, you're welcome!

This ad attracted much comment; and, needless to say, the house was speedily rented to a family with four sturdy boys, and boys

grow up quickly—and buy clothes.

Recently we started a new wrinkle. When one of our customers marries, we drop him a few words of congratulation, and advise him that we have a wedding gift for him if he will call at the store and get it. Mr. Bridegroom calls, and we hand him his choice of a nifty necktie, shirt or suspenders. Does he make a purchase? He usually does!

We always tell our customers that we are willing and ready to exchange anything not satisfactory. We never say, "If the factory will make it right, we will make it right with you." We say, "Bring it back if it is not right. We will stand the loss regardless of what the factory does."

Of course, it happens occasionally that someone takes advantage of this policy and wears an article out, then comes back for a new one, free of charge. If he seems unreasonable, we simply hand him a new article with a smile and "Come again." No arguments, no quarreling, no time wasted. If he is not entirely devoid of brains, he sees that he, himself, is the goat; and he departs feeling too cheap ever to repeat the performance.

An instance of this kind occurred a few months ago. A man came in with a pair of stag trousers that he had bought from Tom for \$6.00. Tom glanced them over and said quietly:

"Very well, sir; pick out a new pair." The man picked out the trousers; and as he wanted a cuff on them, Tom told him to take them across the street to the tailor and have a cuff put on. The man left, and in about twenty minutes he returned with the pants; and pulling out his purse, he laid \$6.00 on the counter. He said:

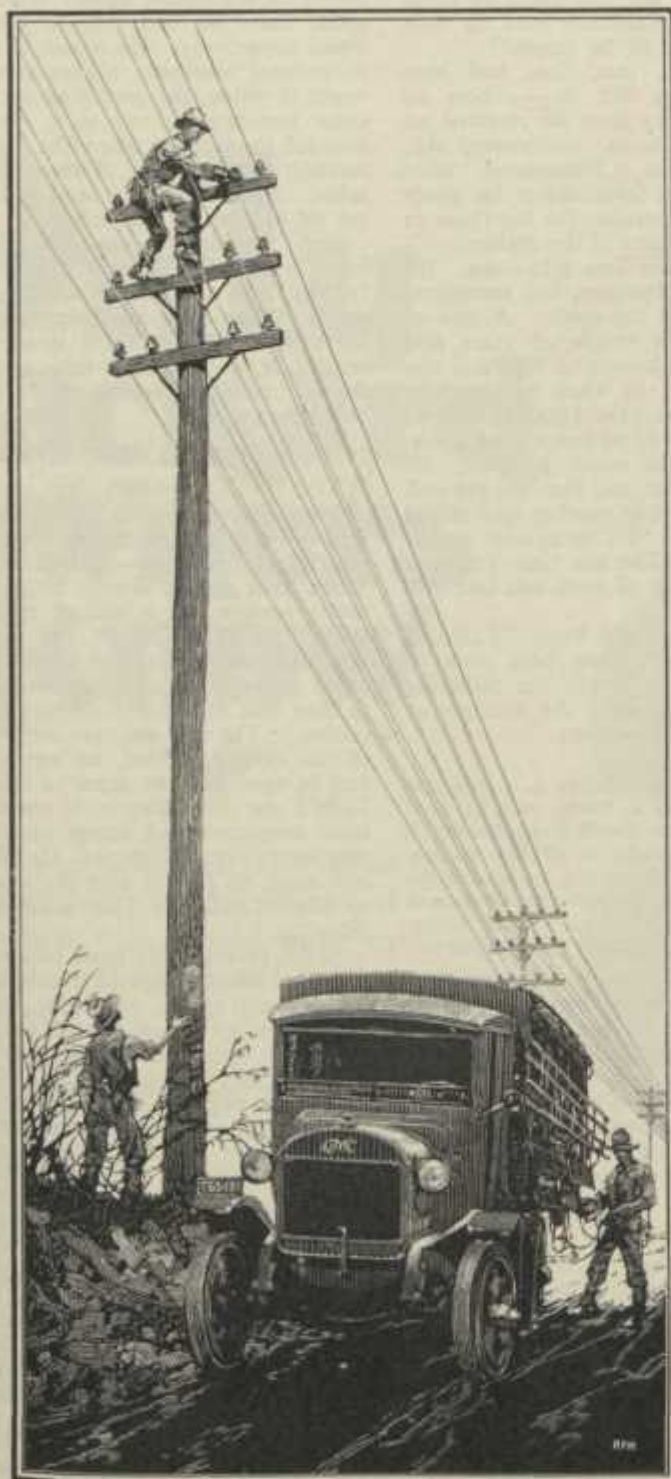
"Mr. Grant, I want to pay you for these pants. By golly, when I was going to the tailor shop, it struck me pretty forcibly you were one square fellow to give me a new pair of pants; and I felt as cheap as dirt, for the fact of the matter is I burnt those pants with a cigarette. I'll keep them for every day, and have the new ones for best. There's no use talking; I just couldn't be crooked with a man that was so square to me!"

Another case similar to this one occurred recently. A lady came in one morning and bought two shirts for her husband at \$1.50 apiece. In the afternoon, about 5 o'clock, the husband came in, threw the shirts on the counter and exclaimed:

"My wife bought these shirts here this morning. I don't need shirts no more than a frog needs a side pocket. I want the money back, for I'm well stocked up, and can't afford to buy anything even if I did need it." Tom said:

"That's all right, sir. Here's your money." He laid the \$3.00 on the counter between them; and Tom looked at the man; the man looked at the money. Then Tom began to talk! On what? His favorite subject—Friendship! Then about the new goods just coming in. The fellow grew interested. Tom slipped an overcoat on him; the mirror reflected his image very flatteringly; and before

GMC TRUCKS ARE SEVEN STEPS AHEAD



GMC Spans the Continent

GMC distribution and maintenance spans a continent as a guarantee of continued GMC performance to the thousands of users in all parts of North America.

*Forty-six distribution centers provide base stations from which the supervision and care of GMC trucks are directed.

Linked to these are dealerships—with full maintenance facilities which bring the manufacturer's guardianship to practically every individual locality.

There is no section of the land where GMC trucks operate untended, nor is there any point inaccessible to factory supervision.

GENERAL MOTORS TRUCK COMPANY
Division of General Motors Corporation
 PONTIAC, MICHIGAN

**Distribution Centers at*

Alton	Lincoln
Atlanta	Memphis
Birmingham, Ala.	Minneapolis
Brooklyn	Milwaukee
Boston	Montreal, Quebec
Buffalo	New Orleans
Beaumont, Texas	New York
Chicago	Oshawa, Ont.
Charlotte, N. C.	Oakland
Cleveland	Philadelphia
Cincinnati	Pittsburgh
Clarkburg, W. Va.	Portland
Dallas	Parkersburg, W. Va.
Denver	Pontiac
Detroit	Rochester, N. Y.
Dayton	St. Louis
El Paso	San Francisco
Erie	Seattle
Houston	Spokane
Indianapolis	Salt Lake City
Kansas City	Saginaw
Los Angeles	San Antonio
Louisville	Shreveport

**Direct Factory Branches*

General Motors Trucks



Mr. Man left, the \$3.00 on the counter had increased to \$35.

The daily newspapers are our staunch allies, for we advertise with them and also watch them very closely for news of deaths, births and marriages. The farmers are constant readers of the rural newspapers, and a great number of farmers are our customers. To illustrate the power of friendship among the farmers, a man came in, bought a pair of suspenders and inquired:

"Do you know Charley Green, of Grass Lake?"

"Yes," said Tom, "he was in today and bought a suit."

"Is that so?" said the man. "My name is Frey, and I expected to meet Green here in Jackson."

Just then in comes Green, and a great hand-shaking takes place. "By the way," said Frey, "there's a big delegation of Masons here from our part of the country. We will be in later with some friends." About two hours later Green and Frey appeared with five or six Masons, and a "get-acquainted" meeting was held. Before they left, Tom had sold them about \$75 worth of goods, and has held their regular trade ever since. Friendship again!

"Minding" Her Bathrobe

ONE DAY a lady bought a necktie for her husband. During the friendly talk that followed she said that she came to town every Thursday to take an osteopath treatment. She remarked that she would like to leave her bathrobe at Tom's store, as it was a nuisance to have to bring it every time she came to town. Tom told her she was welcome to leave it in the store wardrobe, and for several weeks she came regularly to get it, returning it to its hook after her treatment.

One day she came in, and this time she was not alone. Her husband, her two grown-up sons and a brother from Dakota were with her. She said she had brought them all in to be fitted out. "I told 'em there was a clothing man in Jackson that was the friendliest, durndest nicest feller I ever met, and I want 'em all to buy their suits here," she remarked. The upshot of it was that we sold four suits and three overcoats, hats, caps, underwear and overalls to the amount of about \$285.00. These men are now steady customers of ours. All because we allowed the lady to park her bathrobe with us!

Many are the weird characters that come to Tom's store. About a year ago Mr. R—, a man of perhaps 55 years of age, entered. He wore ordinary street clothes, but on his head was a lady's bright green felt hat. It was wide of brim, with a plain black ribbon band. He appeared to be normal in every way, and told of recently coming to the city to live with his daughter. He came in daily, seemed to have plenty of money, and was a good spender; and not once did his conversation take an eccentric or queer turn. When asked why he wore such a conspicuous hat, he replied that he simply wished to see if a person could do an out-of-the-ordinary stunt and get by with it.

One day when Tom was selling Mr. R— a new spring top-coat, two officers came in, one a Jackson man, the other an officer from the State Hospital for the Insane at Kalamazoo. He snapped a pair of handcuffs on Mr. R—, much to Tom's surprise. The officer said that he had escaped from the asylum about two weeks before, and no

trace of him could be found until it was learned that a man wearing a green hat in Jackson answered his description. Then for the first time Mr. R— exposed his failing. Striking a dramatic attitude, he said:

"Tom, my friend, are you going to stand by and allow these miserable curs to drag the King of England off to prison?"

However, the fact that Tom had been kind and friendly to Mr. R— bore its fruit, for a few weeks later he received an order for clothing, socks, underwear, etc., from the old gentleman in Kalamazoo. Since that we have received other orders for goods and also orders for merchandise for three or four of the other inmates of the asylum.

Once in a great while Tom gets stung. We do very little credit business, but sometimes the wrong fellow gets the credit. A case of this kind happened a couple of years ago. This young chap was known to Tom and was considered good pay; so when he bought a suit and overcoat and paid \$5.00 down with the agreement to pay \$5.00 every week thereafter, Tom thought he meant business. He paid the initial payment, and that was the end. Wild horses couldn't drag another cent out of him. He always said, "I'll be in next week," but he never came. The last time Tom saw him he said he was out of work and just simply could not pay.

"Come on with me," said Tom. "I think I can land you a job." They both went to Tom's store, and Tom wrote the following letter of recommendation to the manager of the American Express Company:

GENTLEMEN:

The bearer, Mr. Sam Smith, is a personal friend of mine. He is a young man of good character and bears an excellent reputation, is strictly honest and upright in all his dealings. Any favors that you can extend to him in the way of a position will be deemed a personal favor to myself.

(Signed) TOM GRANT.

The fellow got the position, and strange to say, that recommendation was the turning point in his life. Just a week ago he came in to do some trading and said, "Tom, I have a confession to make to you. The day you got me my position was a red-letter day for me. When I read that recommendation, I said to myself, 'If Tom Grant thinks I'm such a h— of a fellow, I'm going to show him that I am.'"

I don't owe a man a dollar, and I've made up my mind that it pays to pay. I'm going to



try and be the man that you said I was." Just another happy result of Tom's unlimited faith in his fellow-man.

Some time ago we were having a big sale. The store was full of customers when in comes an old farmer named White. He is a giant, about six feet four in his socks and broad accordingly. He is one of these dyed-in-the-wool pessimists, always growling, "The world is rotten, the people all grafters." He came towering in, and in a voice that resounded through the place like a fog-horn remarked, "Another one of these damned fake sales! All humbug! Just a good excuse to get rid of a lot of old junk."

Tom, stepping to the old grizzly, shook hands and said, "Hello, Mr. White. Beautiful day, isn't it? We're mighty glad to see you." White kept mumbling away, and all the time Tom kept up a steady stream of small talk, at the same time gently shoving the old man to the rear of the store, when he finally sat down.

Turning Away Wrath

TOM HANDED him a cigar, saying, "Make yourself comfortable, Mr. White; I'll wait on you later." The old man glared in amazement, took the cigar—and held his tongue. When Tom was at liberty, he handed him a pretty necktie and a pair of suspenders and said, "Mr. White, won't you please accept this little souvenir of our sale? I know you are a good friend of mine; and I want you to have this little token of ours as an appreciation." The ugly old eyes fairly popped out of the old man's head, he was so surprised, and he even had the grace to look sheepish! Need I say that today he is one of our most loyal customers and brings in many of his neighbors to trade with us? He nearly always introduces his friends with the same formula: "Meet Ten-Dollar Tom, a damned straight feller!"

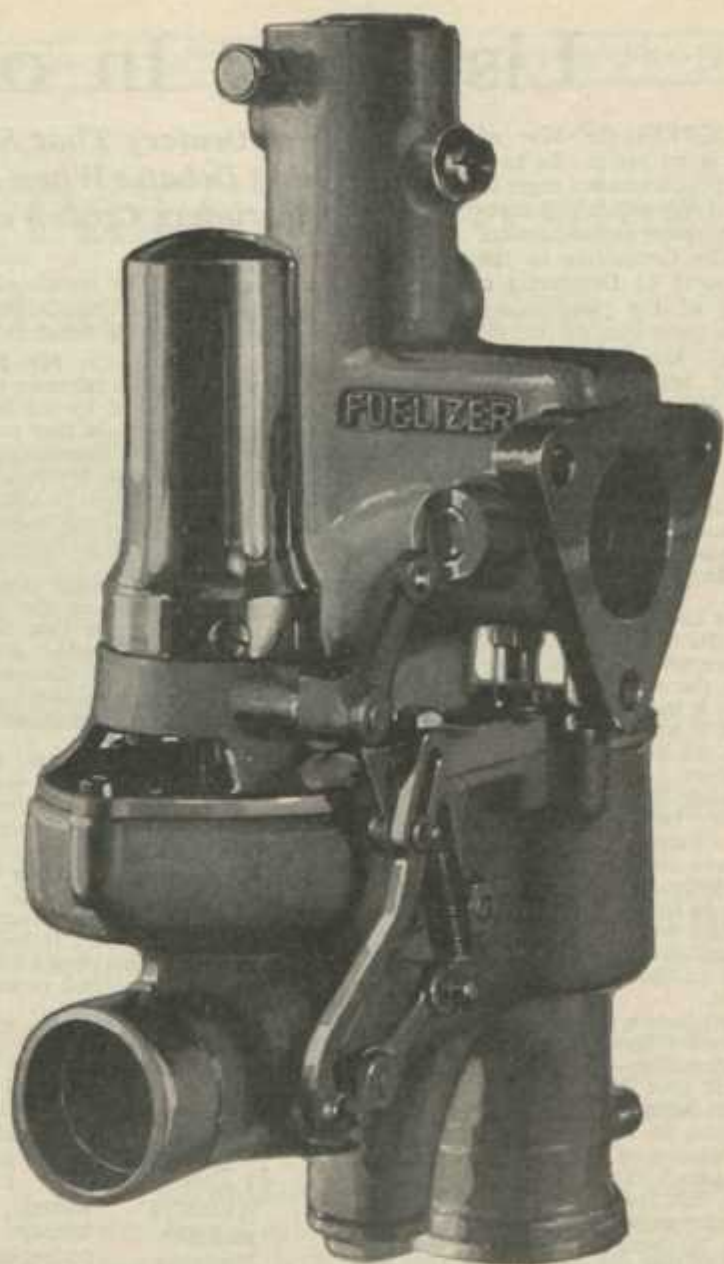
About twenty miles from Jackson is a little village of about five hundred people. One day the minister of the Methodist Church there came in to get a new hat. Tom noticed the minister's eyes fixed longingly on the new overcoats that had just arrived. The old coat he was wearing was shiny and threadbare. It was a crime to see any man wearing such a garment, least of all a minister of God.

About three days afterward a package was delivered to the minister. No name was signed to the card attached, which simply said, "Mr. G—, please accept the enclosed garment in the same spirit in which it is sent, just a friendly gift from a good friend." It was a brand new \$25 overcoat. Although this man was a total stranger to Tom, he sent the gift where he knew it was sorely needed and would be greatly appreciated. Somehow, some way, the man must have guessed who the sender was, for although it was never mentioned to anyone by any of Tom's friends, the minister came in one day and said:

"Mr. Grant, I have wondered and wondered, and I finally decided that no one but you could have done this thing." Of course, Tom had to own up.

This little act of kindness was not lost either, for Mr. G— has never neglected an opportunity of sending us trade and speaking a good word in our behalf. Nearly every day little incidents of this kind occur. Tom's motto is to do things "just a little different," and he surely has a wonderful knack of turning little every-day occurrences into harvest-bearing results. He plays a song of friendship and happiness on the keys of his cash register.

Only Packard owners know



If you analyzed the contentment of the Packard owner you would have to give a big share of the credit to the exclusive Packard Fuelizer == It's a noticeable fact that you never hear a Packard Single-Six or a Straight-

Eight choke or sputter, you never see one balk at the get-away, you never find one hesitating when you "step on it" == You can thank the Fuelizer for all that and much more. For if there is anything that adds to comfort more than quick starting in cold weather, or prompt acceleration, it would be hard to find == So credit the Fuelizer with a big job. Only the Packard owner knows or can know how big that job is, or how much it adds to the satisfaction of motoring; but when you buy your Packard you can expect your Fuelizer to do these things: (1) Reduce the warming-up period in cold weather; (2) add greatly to the speed of acceleration; (3) save fuel; (4) diminish formation of carbon on spark plugs and cylinder heads; (5) practically eliminate gumming of valves and, (6) minimize dilution of crankcase oil.

Four-wheel service brakes; 2 additional rear wheel brakes—a total of 6—on all Packard cars

PACKARD

When writing to PACKARD MOTOR CAR COMPANY please mention the Nation's Business

Listening In on Congress

IN CONGRESS the War of Words is on again. In both houses newcomers are eager to be heard. Progressives and reactionaries strive for representation. In the Rules Committee of the House all sorts of Democrats contribute to the victory of the progressive Republicans who got the committee places; the Democrats got nothing. Mr. Rainey (Ill.) jeers at the victors and begins by congratulating Mr. Longworth (Ohio):

The gentleman has safely steered the ship between the Scylla of progressive republicanism—if anybody knows what that is—and the Charybdis of conservative republicanism, and everybody knows what that is. He has reached the quiet waters beyond, and there is not a scratch on the ship. The paint even is absolutely intact.

We always know where to find the gentleman from Ohio. He is a stand-pat Republican and he does not care who knows it. . . . He will go down when the ship goes down with his flag flying. That is the kind of Republican I like to see. That is a real Republican. I notice much applause on the Republican side but none from the progressives.

I congratulate the gentleman from Wisconsin (Mr. Nelson). He is safely on the Rules Committee; he is buttressed there, surrounded by a guard of seven stalwart Republicans. He cannot get anything out of there if he tries. He has consented to be imprisoned—has been a party to it—in a double locked cage, surrounded by the Old Guard, and from his safe position behind the bars he can continue to bark dismally at the passing world.

I hold in my hand a proclamation issued by the gentleman from Wisconsin (Mr. Nelson) on the 4th day of December—a most courageous document. . . . He gave it out under this heading: "By John M. Nelson, Representative from Wisconsin. Written for the United Press." . . . He said: "The progressives are not demanding choice committee places." This statement appeared in 5,000 papers. Mr. Speaker, Caesar three times refused the kingly crown before he fell. The gentleman from Wisconsin refused it five thousand times before he fell, and when he fell great was the fall thereof. For nine days Satan fell from heaven clear down to hell, but that is nothing like the fall just accomplished by the gentleman from Wisconsin.

"Hell heard the insufferable noise. . . .

Nine days they fell; confounded chaos roared

. . . hell at last yawning received them whole and on them closed."

I am wondering what a progressive Republican is, but I need wonder no longer. . . . A progressive Republican is a Republican who is a stand-pat, conservative Republican in every fiber of his being, in every part of his anatomy, except his mouth, and he has absolutely no control over that. He talks one way and shoots the other always. . . .

ON THE last day that Congress met before the holidays, Mr. Longworth wished "to call attention very briefly to the contrast

**Virtue and
Industry
and One
Industrious
Senator**

in conditions prevailing on this side and on the other side of the Capitol." And as illustration of that contrast, Senator Heflin's (Ala.) statistics are illuminating:

"The farmer frequently works as many hours in one day as you have worked in nearly three weeks. For these sixteen and a half hours that we have been in

Flashes of Oratory That Shine Through the Opening Debates When Newcomers and Old-timers Cross Verbal Swords

session during the month of December the taxpayers of the United States have had to pay over \$30,000 in Senators' salaries."

Mr. Lodge (Mass.): Mr. President, I have nothing to say with reference to the very interesting statistics cited by the Senator from Alabama; I do not doubt they are correct. . . . I now move that the Senate proceed to the consideration of executive business.

Mr. Simmons (N. C.): Can the Senator explain why there has been no business on the calendar? We have been in session now since early in December.

Mr. Lodge: Why other committees have not brought business before the Senate I do not know, but I do know that the Committee on Foreign Relations, of which I happen to be the chairman, has acted on the question of the confirmation of every nomination that has been before it, numbering some 50 or 60, and has also acted on five treaties. . . .

Mr. Borah (Idaho): Mr. President, if the Senator from Massachusetts will yield, I should like to say that the Committee on Education and Labor has reported a resolution and had it passed.

Mr. Simmons: I should like to inquire of the Senator from Idaho, what is the character of that very important legislative measure?

Mr. Caraway (Ark.): It had to do with the kind of a doctor that should kill a man, whether he should be a homeopath or an allopath.

SENATOR NORRIS (Nebr.) thought the note of Secretary Hughes in reply to Russian overtures for recognition "not even courteous. It is very bluntly discourteous."

**Wherein
Is Talk of
Whiskers
and the
Manners
of Diplomacy**

"It might be well to say," the Senator thought, "that in all the history of diplomatic correspondence, from the dawn of civilization down to the present time, there has never

been so blunt a letter written, avoiding even all pretense of courtesy, as that one." He thought the propaganda attributed to the Soviet Government "probably originated in the dream or wish of some unscrupulous detective who knew just what was expected of him."

Mr. Shortridge (Calif.): Has the so-called Government of Russia disavowed that statement?

Mr. Norris: Not that I know of. It has not yet had a chance.

Mr. Shortridge: Does the Senator deny that it has been issued?

Mr. Norris: I do not know anything about it. Mr. Shortridge: Why discuss it, then?

Mr. Norris: Because I want to. I know nothing except what the Department of State has said, and they have offered no evidence to sustain their statement. . . .

Mr. Shortridge: The Senator says that the so-called Government of Russia has not disavowed that statement?

Mr. Norris: This has just been issued this morning. We ought to give them until noon at least to have an opportunity to disavow it. . . . It was reasserted under the palmy days of Palmer that there was an organization in this country composed of aliens who were going to overthrow our Government, and he spent several million dollars of our money going out to arrest a whole lot of foreigners and deporting them. . . .

Why, Mr. President, I have been told by a

man who watched the raids that they arrested in many of those places every man who had any whiskers. If the Department of Justice, under Daugherty, are going to make that kind of raids,

they ought at least to give the Secretary of State notice before they make them. It would be a real calamity if such a thing took place, if our most illustrious and able leader on this side of the aisle should be walking down Pennsylvania Avenue arm in arm with the great Secretary of State, secure, supposedly, in the protection of the Constitution of the United States over their liberty and their persons, that a lot of sleuths from all parts of the country should capture them and, without permitting them even to call their friends, their families or their attorneys, rush them on board a ship and deport them to some foreign country like Russia just because they had whiskers.

MR. HOWARD (Nebr.) desired to use "my first utterance in this hall to express views at variance" with Mr. Rainey.

**A Fledgling
Statesman
and Love's
Labour Lost**

One week ago these same progressive Republicans who are now consigned to the hottest corner of tradition's hottest political hell by my distinguished caucus chairman were so worthy as to win from the spokesman for the minority in this House the warmest terms of affection. Mightily we of the minority sought through our own leaders a marriage with and to those same progressive Republicans who now have been so scathingly spurned by our caucus chairman.

Why the changed conditions? Why has our yesterday love oozed, giving place to today's implacable enmity? If the black-eyed houris from Wisconsin, Minnesota and Illinois were altogether lovely as of yesterday, why are they not still lovely as of today? In the weakness of my newness in the House, I am unable to understand the transformation. With the cadence of our own hot kisses of affection upon the cheek of the listed leader of the progressive Republicans still reverberating sweetly through the Capitol chambers, my caucus leader comes to tell me that the progressive cheek to which but yesterday he pressed a wanton lip is now a thing unclear.

I love my caucus leader but I cannot love his style of love-making. It is so uncertain in its tenure. The trouble with my distinguished caucus chairman lies in the fact that he does not and cannot understand, neither comprehend, the progressive Republicans. . . . I have seen them again and again bare their breasts to the cruellest of all javelins, javelins from the hands of political party commanders; nor did they wince nor falter nor obey when commanded to get their progressive hind legs inside the reactionary Republican traces attached to the reactionary band wagon. . . .

Speaking for all progressive Democrats on this side of the House, I bid my progressive Republican friends in or out of Congress to feel and believe that they will be welcomed with open and thankful arms if they shall in 1924 come up to the help of their progressive Democratic brothers. . . .

Mr. Speaker, that is all the speech that is in me now, but if I discover more of it I ask unanimous consent to extend my remarks in the Record.

Mr. Rosenbloom (W. Va.): Reserving the right to object—and I will not object if the gentleman will permit a weather prediction for the Sixty-eighth Congress.

Mr. Howard: Weather? Will it be damp or dry?

Mr. Rosenbloom: My prediction is that it will be rainy but windy.

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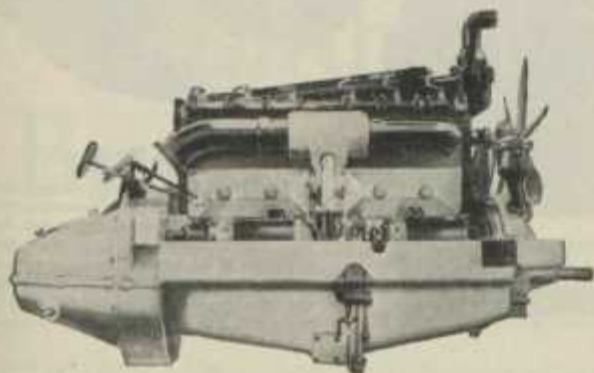
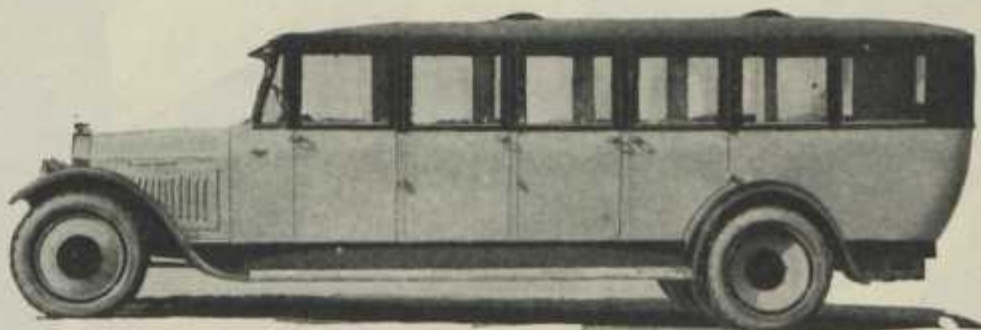
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Mr. Young is on the Chamber committee on arbitration and immigration.



Charles G. Dawes,
who is suggested as chairman



Henry M. Robinson

Mr. Robinson is American member of the Reparations Commission's committee of experts appointed by the commission to consider the question of exported German capital.

Mr. Robinson is vice-president of the Western Division of the Chamber of Commerce of the United States.

The Map of the Nation's Business

By FRANK GREENE

Managing Editor, "Bradstreet's"

IT HARDLY need be said that the general tone of business is more cheerful, likewise that a pretty decided pick-up in tone, not perhaps in actual trade, occurred between the beginning of December and the early part of January. Like the trouble that the village character complained of, "complications," there was no great outstanding or moving cause for this, but rather a general recognition of a number of contributing factors which combined to make for a cheerful parting with the old and meeting with the new year.

Unquestionably, the sane stand of the President and Secretary Mellon on tax matters helped a good deal, as pointing to some possible reduction of public burdens, while in business and industry proper there seemed to be a rather clearer idea obtained from yearly retrospects of what a really good year this country enjoyed in 1923. Then too, following the meeting of Congress, there seemed, contrary to many expectations, to be a perceptible simmering down of radical talk which heartened the stock market and in turn had a cheering effect on the ordinary business man who cannot be said to view higher prices in the security markets with distrust.

The pick-up in pig iron buying and prices beginning late in November also had a steady effect which was followed by pretty good buying of steel in December, announcements by that trade's authorities that railroads, auto-

mobile manufacturers and builders had bought freely, that three months' orders were in sight or secured for that product and that another big year lay ahead of the building industry.

Finally the usual year-end crop of forecasts were very generally cheerful, this latter illustrating somewhat the effect of mass psychology, which had been inclined to rally from the rather morose tone in evidence in the second four months of the year. Altogether, therefore, the disposition to look on the cheerful side of things has been more marked than at any time since last spring.

Open Winter Slows Trade

NOT ALL of the developments of the month past were unfeignedly favorable. Holiday trade proper, that is, gift buying, was very good, probably the best ever, but retail trade in seasonable goods, affected by the warm fall and early winter with excesses of rain in wide areas of the southwest, was rather slow and the early January sales bore witness to this in a myriad of special sales with heavy reductions claimed in most instances.

The belated arrival of winter late in December helped to move goods of the kind

described, however. In some branches of the textile trades, particularly cottons, the old trouble of uncertainty as to the reception to be given the new and higher prices asked was and is still present with mills, agents and jobbers, while unseasonable weather caused some cutting of prices of unsold stocks of woollens.

The silk trade picked up a little but, by and large, the textile trades and coal, leather and furniture lines did not seem to share to the full the slightly more cheerful feeling perceptible in the domestic security markets and in the steel and oil industries, the latter showing a good deal more of strength in crude with increased takings by refineries and of late a slight firming up of subsidiary lines of manufactured products.

Of the making of annual reviews and of forecasts, like that of the making of books, there has been seemingly no end of late, and the writer does not recall a year when more was printed along the former line while the unanimity of cheerful predictions has been remarkable. As to the matter of reviews it may be said that the old year certainly deserved that a good deal should be written about its achievements.

As indicated a month ago, in fact, a number of new high records were set up in trade and industry. The Federal Reserve Bank review indeed says flatly that the year as a



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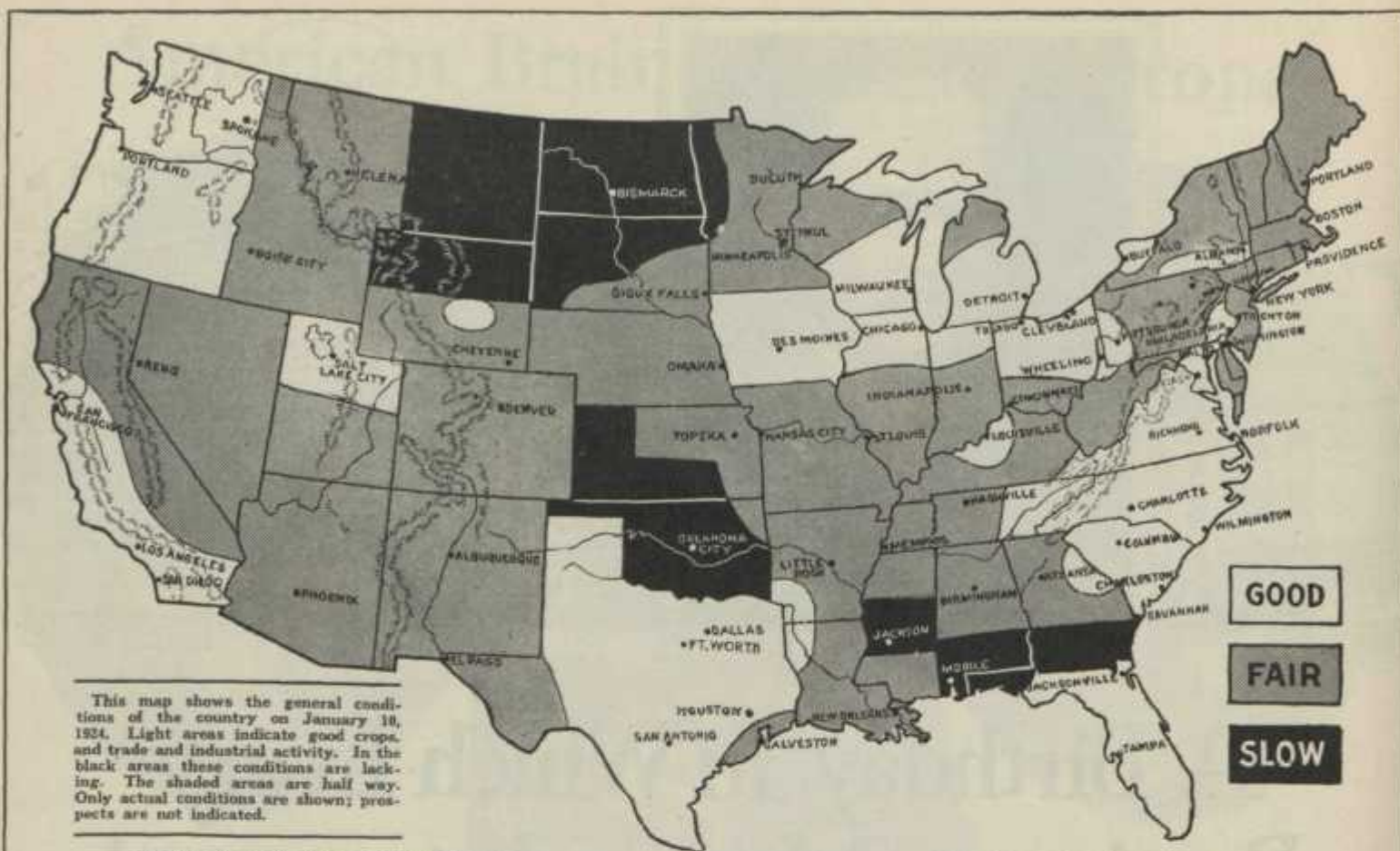
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The Business Map of Last Month

The Map of a Year Ago



whole was one of unparalleled industrial and trade activity. With strikingly few exceptions in fact, the year was one of expansion over 1922 and, if lower price levels are considered, it is plain that volume of trade was close up to or in advance of the peak points. As pointed out in these columns a month ago the automobile-making, ordinary building, pig iron, and cement industries all broke previous best records in 1923. In addition, railway gross earnings, not net income, and retail trade, made new high levels. Electrical power production broke all records, as did petroleum output and refining. Coal production, output of steel ingots, copper production and cotton consumption were near the peaks. Lumber production was the largest for a decade.

New incorporations and outputs of new securities, except state and municipal bonds, exceeded those of any other year. Bank clearings were above 1922 but slightly below the 1920 and 1919 peaks. The slaughtering and meat-packing industry set up new high production records, and this was mainly due to unprecedented receipts of hogs which had been fed on the big corn crop of 1922.

Crop yields as a whole were above the 1922 value but below it in actual quantitative yields. Higher cotton and corn were big moving features in this connection but low-priced hogs reduced farmers' earnings and the steadiness of wheat prices through the fall did not offset the losses of those who secured small yields as in Kansas, Oklahoma and the spring-wheat Northwest. Nor did high prices for cotton help the planter whose crop was greatly reduced or destroyed by the boll weevil.

Failures were fewer than in 1922 or 1921 and liabilities were smaller than in both those years. The percentage of business mortality dropped off also but there were more large failures than in 1922, and bank suspensions were second only to 1893, the worst year since these statistics were compiled while suspending banks' liabilities were only twice exceeded since that year.

The Northwest and particularly North Dakota, Minnesota and Montana had a record number of failures of financial institutions, particularly state banks. These states, with Oklahoma, had more failures than in the peak

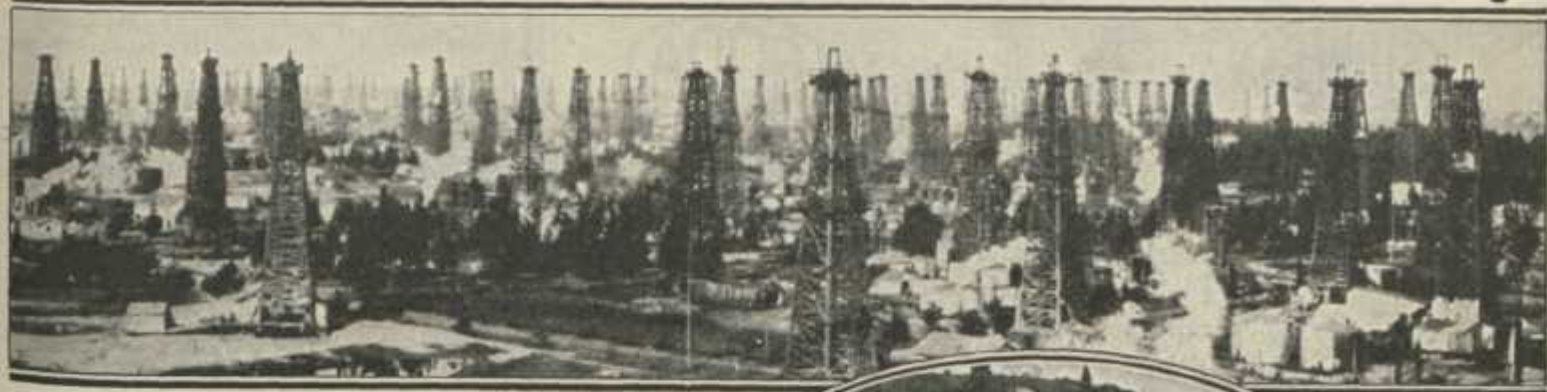
year, but the situation has shown some improvement of late. Stock and bond sales fell 9 and 33 per cent, respectively, below the peak years 1919 and 1922. Fire losses were slightly smaller than in 1922, the largest year.

Foreign trade was rather mediocre, exports especially so, largely owing to big reductions in shipments of wheat and corn. European crops were better, and Canada, Argentina and other countries underbid us in price, but hog products were available for export and were taken while corn, having been closely fed up, was scarce and high above foreign views of prices.

Shipment of high-priced cotton, automobiles, rubber goods, meats, animal oils, coal, coke and petroleum and its products offset losses in the export grain trade. Imports which were ahead of exports for a while in the spring finally fell below exports to about the same extent that exports gained over 1922. Gold imports were larger in 1922 and the sixth largest in history while gold exports were the smallest with one exception in eleven years.

Exchange rates fell pretty steadily through

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ANNOUNCEMENT

THE Hazle Brook Coal Company, the Stonega Coke and Coal Company and the Wentz Company have bought all of the stock of the GENERAL COAL COMPANY, a Delaware Corporation, and after January first, Nineteen Twenty-Four, will operate it under their management.

The GENERAL COAL COMPANY will conduct the business formerly transacted by the Wentz Company and will be the exclusive Sales Agent for "ADMIRALTY," "RODA" and "STONEGA" coal and coke produced by the Stonega Coke and Coal Company, and for the "DEPENDABLE" Anthracite Coal produced by the Hazle Brook Coal Company.



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the year and the first week of January, 1924, saw the lowest quotations for sterling since the "peg" was taken out, while francs touched the lowest point for all times. It is hard to believe that the weakness both of sterling and francs was due entirely to European unsettlement. If for no other reason, the big purchases of Liberty Bonds and of high-priced cotton would seem to have pointed to low rates for sterling.

With six advances and six declines in Bradstreet's Index Number and a net loss of only 3 per cent on the year, prices of commodities were pretty nearly stabilized, although there were some markedly big swings; witness the highest prices for cotton since 1920 and the lowest prices for hogs since 1915.

Two industries, automobiles and building, may be said to have, in 1923, enrolled themselves among the "wonders of the world." Building at 175 cities in 1923 totalled about \$3,100,000,000, 24 per cent above 1922, nearly double that of 1921 and seven times that recorded in the war year 1918. Automobiles built were slightly above 4,000,000, a gain of 51 per cent over 1922. Of these one maker made more than one-half. Value of the output was probably not much different from that expended for building in the entire country. In other words, the value of new building and of new cars and trucks was about the same.

Mention has been made of the cheerful tone of forecasts for 1924. The weight of prophecy seems to be that trade and industry will have a fair-to-good year, due regard being had to the occurrence of a presidential election and the fact that radical talk is still rife, although as already said, the latter has seemed to have simmered down considerably of late. To use an old simile, there seem to be a number of reasons not only for hoping but for believing that many of these people will sit quiet and abstain from rocking the boat.

English Scientists Use Colors to Fight Insects

MEN OF science over Cambridge way in England put their heads together and then take time out to announce to a pestered world that mosquitoes favor navy blue above sixteen other colors. Reporting further on the effect of colors, the scientists say that mosquitoes are unanimous in their aversion to yellow, and that they shun light blue almost to a mosquito. One observer says that house flies are indifferent to colors; another is positive that flies avoid pale blue and settle freely on white. A sense of color and a sense of smell are possessed by many kinds of insects, notably bees and butterflies, according to Darwin, Lubbock and other naturalists of the last century.

Just as we were dazzled with the idea of baffling the stings and arrows of outrageous insects by the trickiness of our apparel, or mayhap even ridding the earth of the busy boll weevil by some smelly lure, along comes the esteemed Engineering Foundation with a dissertation on combating mosquitoes by means of fishes, especially young ones. The most useful species for that service, so the announcement of the foundation says, are the common sunfish, the mud minnow, and the killifish. Competition and struggle for existence in the mimic world. The minnow plays Goliath to the mosquito's David. Lay on Macquito—and damned be Goliath if he cries "Hold; Enough!" A sting may outdo a sling. Watch your fins, Mr. Killifish.

President Coolidge—and others

What do the leaders of the two great political bodies think of the business man's legislative program as set forth by the United States Chamber of Commerce committee in official audience before President Coolidge, and described by Mr. Julius H. Barnes in the December NATION'S BUSINESS?

They are going to tell you.

Beginning in an early number, we shall present the opinions of President Coolidge, Wm. G. McAdoo, and Senators Johnson and Underwood. The articles will be written by John Callan O'Laughlin.

Legislators' Views On Immigration

REPRESENTATIVE JOHNSON, Chairman of the House Committee on Immigration, explained last month in *THE NATION'S BUSINESS* the bill his committee had introduced to take the place of the present quota law. Other members of the committees dealing with this subject were asked their views. Here are a few of them, which give a cross-section of opinion at the Capitol on a subject of vast importance to American business:

Senator WALTER F. GEORGE, of Georgia—

With reference to immigration, I must say in the outset that I am a restrictionist. I can never bring myself to consider the immigration question strictly from the economic and industrial viewpoint. The social and political aspects of the question are entitled to primary consideration.

The actual needs of industry and of agriculture cannot be left out of consideration, but the consideration given these in the fixing of a policy of immigration must be secondary always to the social and political issues involved.

I am not committed to a policy of total exclusion of immigrants even for a limited number of years. If the present quota law, which expires in June of this year, should not be replaced by a satisfactory law, the Congress should, by appropriate resolution, exclude immigration altogether until a satisfactory law can be framed and enacted.

According to the preponderance of the evidence submitted to the Senate committee on immigration during the fourth session of the Sixty-seventh Congress, there is need for some common labor—so called—in the United States, but I do not believe we are now facing such difficulty in getting workers that we need import more. The use of labor-saving machinery and the disposition on the part of more of our citizens to go to work in productive enterprise will, of course, diminish any necessity that may now exist for more labor, to a degree, at least.

I do not think, however, that the use of labor-saving machinery and the disposition of more of our citizens to go to work in productive enterprise will entirely relieve the situation, provided actual need exists for labor in any considerable quantity in the country. As indicated above, I do not believe that an actual need for common laborers in any considerable numbers now exists.

I favor a quota law, and think it should be based on the census of 1890. I think the quota should be reduced under the present law, and that we should also take into consideration immigration coming to us through Canada and Mexico.

Representative A. M. FREE, of California—

There undoubtedly is at the present moment a shortage of labor in some quarters, particularly on the farms and where strictly unskilled labor is used. This, in my judgment, is entirely temporary. Just at present the United States is engaged in a great building program. The result has been that laborers have been drawn from the farms and other places and have taken employment in manufacturing establishments and other places where wages are higher. This, in my judgment, is only temporary and as the building business slackens, which it must, we will have an overplus of these people in these industries and they will again go back to the fields of labor where they were formerly employed.

In my judgment, the shortage of labor of today is not what we might call acute. Naturally there are a limited number of skilled mechanics; these cannot be made in a day, nor could they be continuously employed if they were to be suddenly created. If we are to import skilled or unskilled labor in any great numbers, when our building program comes back to normal we would simply have a lot of unemployed on our hands.

It is undoubtedly true that labor-saving ma-



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chinery is gradually diminishing the need for unskilled workmen. Some years ago I visited a peanut farm. The vines were being pulled up and the peanuts removed by hand. Recently I was in North Carolina and saw this whole operation being done by machinery. What is true of the peanut machine is true of the reaper, the combined harvester, and thousands of other machines which are gradually doing away with the demand for unskilled labor and making a place for semi-skilled labor in less quantity.

In my judgment, the importation in large numbers of ignorant, unskilled labor would bring upon our country a menace from which we might never rid ourselves. We have work for a decade and more to Americanize the aliens already within our border, and this problem has become the more intense by reason of the fact that we have held out inducements to persons who have nothing but brawn to offer and, in many instances are subnormal mentally, to enter our unskilled labor field.

I am in favor of continuing a quota law based upon the census of 1890. As a rule our best immigrants have come from northern Europe—the immigrant who will work on the farm, who wants to work and who does not merely want to get behind a push cart in the east side of New York. They seem to be less inclined to radicalism and, as a rule, have been orderly, law-abiding, hard-working people, whereas the bomb throwers and mere traitors have come from southern Europe.

It would indeed be an ideal system of immigration if we had some policy of individual selection, but with the treaties we have with the countries of the world and in order to keep from engendering international friction and hatred, I do not think that it is possible for this country to enter into the policy of idealistic individual selection. It seems that the next best thing to do is to provide general standards to which all must conform and in this way accomplish an indirect selection and exclude a greater number of unworthy immigrants. We must insist that all immigrants be mentally and physically sound and law-abiding in order to get a very good class of immigrants.

Senator WILLIAM J. HARRIS, of Georgia—

I favor the suspension of immigration for five years, and I have supported legislation to restrict immigration.

Senator DAVID A. REED, of Pennsylvania—

According to the census of 1910, there were then in the United States 6,740,000 persons born in the countries of northwestern Europe (Great Britain, France, Germany, the low countries and the Scandinavian countries). Under the present law the annual immigration quotas of these countries is 3 per cent, or 202,200 persons. According to the same census there were in the United States in 1910 5,048,000 persons born in southeastern Europe (including Russia, Italy and Spain), and the quota for southeastern Europe was therefore 151,455.

Approximately 67.5 per cent of these northwestern Europeans have been naturalized in the United States, while approximately 32.5 per cent of the southeastern Europeans have been naturalized. In my judgment the quotas should be increased for those countries whose people have shown a disposition to become naturalized.

Consider Tariff on Taximeters

TAXIMETERS, print rollers, cresylic acid, phenol and linseed oil are articles upon which the Tariff Commission has given notice of hearings at dates extending into February. On February 18, the Commission will hold hearings regarding wheat, flour, etc., as to which it began investigations in the fall.

The provisions of the flexible tariff require that the Commission is to grant public hearings with respect to any article as to which it has undertaken investigations which may result in recommendations that the President change rates of duty.

Oh, What a Time with the Customs!

By EDWARD L. BACHER

THE AMERICAN high school student, returned from a European trip, who stood up in class and translated Cicero's famous "O tempora, O mores" as "Oh, what a time with the customs" did more than reflect his own sentiments. Inadvertently he gave voice to one of the world trade's most intimate complaints.

Where does the trouble lie?

"Largely," replied the International Chamber of Commerce at its Rome Congress in March, 1923, "in (1) lack of adequate publicity regarding customs rulings and (2) need for world-wide simplification of customs formalities." And the Economic Committee of the League of Nations, studying the matter, came to the same conclusion. And with these two objectives the International Conference on Customs Formalities was called at Geneva from October 15 to November 3, 1923.

There are a lot of us who owe a debt of thanks to these two organizations for airing the situation. Let's take stock for a minute. There's the fellow who berates the multiplicity of consular-invoice and certificate-of-origin forms; there's the executive who storms because the consulate closed at 3 p. m., whereas his documents were ready for visa at 4.20 p. m.; there's the whole brotherhood of commercial travelers whose samples have been held up for days at the customs for a process of purely formal but highly effective mutilation under the name of "identification"; there's Mr. President of Any Company who has tried traveling across European international frontiers by day or night with four handbags, two trunks and an adequate stock of his favorite cigars; and there's Mr. Coal Exporter wondering where under the sun is the justification for imposing a thousand dollar fine on a shipload of coal because a typist wrote "United States of America" across two columns rather than separately in each.

Real Teamwork

THE LIST needs no further elaboration. When Monsieur Tout le Monde ventures abroad he returns convinced that "that customs crowd" are an unconscionable lot. Well, he isn't quite correct in his judgment of the fellow behind the blue coat and the brass buttons. He's blaming the symptom for the disease. In actual fact it was an official delegate who propounded to the Conference the guiding principle of its deliberations: "If it's not good for business, it's not good for customs." Rather a rare note for a gathering which had been forecast as likely to be a "most functionary gathering of arch functionaries."

Nor was this pronouncement regarding the concern for business interests that actuated their efforts an idle statement on the part of the conference. The resultant convention, with its 30 articles and its Protocol and its Final Act, contains only engagements by customs officials and suggestions to customs administrations as to how they should put their houses in order to help the smooth course of world trade. With one exception; and that the modest proposal that organized business could do much to eliminate the vexatious shackles of customs procedure and control, if it could contribute to the eradication of customs fraud.

In pondering upon this considerate attitude of customs toward business, it is interesting to know that, to the right of the President of the

Every man owes three things to his bank

THE DEPOSITOR who wrote the following letter has given permission to publish it. Has the thought he expresses ever occurred to you? Do you agree with him?

THE EQUITABLE TRUST COMPANY
37 WALL STREET, NEW YORK.

Gentlemen:

You have published many advertisements about your obligations to me as a depositor. I think it is time for one of your customers to write an advertisement about his obligations to you, his bank.

As I see it, I owe you three things—and money (at the moment, thank the Lord) is not one of them.

1 I owe it to you, as well as to myself, to maintain a good business reputation. To you because I expect you to demand this of your other depositors. If I have business dealings with a customer of the Equitable I assume that because he is an Equitable customer, he pays his bills, has regard to the sanctity of a contract, and is otherwise dependable. I cannot expect you to uphold this standard on the part of others, unless I do my personal share in upholding it.

2 I owe it to you to maintain a balance on which you can make a profit. I expect you to maintain convenient offices, which means high rents, high taxes and other expenses. I call on you for a variety of services, many of which were never thought of as a part of banking ten years ago. You cannot meet these expenses and render these services unless you are making money. If you make no money on me, then I am riding on the back of your other depositors. I don't want others riding on my back. I expect, therefore, not to ride, but to walk and to carry my share of your load.

3 I owe you an obligation to accept your decision cheerfully, if you sometime say "No." If you haven't the courage to say "No" many times a day, and stick to it, I don't want my money in your bank. I expect you to say "No" when you are invited to make speculative investments—because part of the money you invest is my money. I expect you to say "No" when you are asked to make questionable loans, or to pay too high a rate of interest, or to lend at too low a rate.

I want all the interest I can get; and all the accommodation I can get. But first of all I want to be dead sure that what money I have with you is absolutely safe. It can't be safe unless you are conservative. And any man or institution that is conservative must necessarily say "No" every day. If ever you say it to me, therefore, I owe it to you to believe that you are saying it because it is in the best interests of all your depositors of whom I am one.

New York, December 19, 1923.

This is a straight from the shoulder letter. We believe the spirit of fair-dealing which it represents is eminently characteristic of the customers of this bank. We are proud of this spirit and grateful for it. It has been a very big factor in The Equitable's success.

THE EQUITABLE TRUST COMPANY OF NEW YORK

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Bull House, Aldwych, W. C. 2.
Paris: 21 Rue de la Paix
Moussy: 48 Calle de Capuchinas

UPTOWN OFFICE
Madison Ave. at 45th St.

37 Wall Street



IMPORTERS AND TRADERS OFFICE
247 Broadway

DISTRICT REPRESENTATIVES

Philadelphia: Land Title Building
Baltimore: Calvert and Redwood Sts.
Chicago: 105 South La Salle St.
San Francisco: 485 California St.

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222 Broadway

The EDWIN F. GUTH COMPANY

DESIGNERS - ENGINEERS - MANUFACTURERS

Lighting Equipment



BRASCOLITE

TYPE AF

Wide, all white, glazed porcelain enameled reflector with bowl of heavy, pressed white glass of low absorption. Type AFB, same with reflector band finished in leather bronze, 200-300 watt size. List price, \$15.00.

More Light—Softer Light From Brascolite

Before the perfection of Brascolite, more light meant more intense light—a direct glare dangerous to the eye, yet an imperfect luminant because of its uneven distribution.

Today, throughout America and 37 foreign countries, millions of people enjoy the mellow, uniform light of Brascolite. Through its scientific principle—diffusion plus reflection at the source of light—Brascolite softens the intense glare of the Mazda lamp and sends eighty per cent. of the light rays directly to the working surface. The result is a glareless white light that approximates daylight itself.

There is a Brascolite for every lighting need. We can also adapt the Brascolite principle to meet any architectural or decorative scheme you may have in mind.

Write for catalog No. 10, which pictures and describes the complete Guth line.

The EDWIN F. GUTH COMPANY

ST. LOUIS, U. S. A.

Formerly the St. Louis Brass Mfg. Co., and the Brascolite Company

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Minneapolis New Orleans New York Omaha Philadelphia Seattle

Notice the Lighting Equipment

Going to Build?—"See Widmer First"

DESIGNING
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—structural
ENGINEERING
—civil
—mechanical
—electrical
CONSTRUCTION
—all types
—all materials

Widmer Engineers have standardized and applied the most highly approved shop methods to the building business. Every phase of your building program—from the initial designing to completion and equipment of the building will be in the hands of this Master Organization.

As a result you will save time, eliminate waste and save money. Under Widmer methods only one moderate service charge is added to the net cost of the building and that cost is guaranteed.

Many pleased owners of Widmer Buildings will gladly testify to the economic soundness of Widmer Methods. Ask us to explain. Write for our book—"Better Building at Lower Cost." It explains our methods.

WIDMER ENGINEERING COMPANY

Architects—Engineers—Constructors

506 Laclede Gas Bldg.

St. Louis, Mo.

When writing to THE EDWIN F. GUTH Co. and WIDMER ENGINEERING Co. please mention the Nation's Business

Conference, sat a delegation of twelve business men, sent in a consultative capacity by the International Chamber of Commerce upon invitation by the League of Nations. It was the first time that the international official world and the international business world had sat around a common table to discuss common problems. As Lord Buxton, president of the conference, remarked relative to the International Chamber's delegation: "Their presence at an international conference of this description is unique and it has fully justified itself. . . . It is a good augury for the future and for the effective working of the Convention." And to the American business man interested in having his views represented when such matters are on the boards, it is worth knowing that among that delegation of twelve there were two delegates and an expert from the United States.

Twenty Time-Savers

AND NOW what did this yoke-team of business and officialdom accomplish in its convention? To save the editor's space and your time let me tell it to you in tabloid form:

1. Adherence to the broad general principle that customs formalities be revised to adapt them to the needs of the foreign trade.
2. Abstention from unjust discrimination.
3. Reduction of export and import prohibitions and restrictions to a minimum.
4. Prompt publication of all customs regulations and tariffs in advance of enforcement.
5. Publication of complete statements of all duties levied on particular commodities, including basic tariff and all additions or modifications.
6. Distribution of all such publications to diplomatic representatives of contracting states, to League of Nations, Brussels Tariff Bureau, International Chamber of Commerce and Inter-American High Commission.
7. Prevention of arbitrary or unjust application of customs formalities with adequate redress for parties prejudiced.
8. Pending settlement of customs disputes, release of affected merchandise subject to safeguarding interests of states.
9. Lenient and simplified treatment of commercial samples and specimens, with temporary admission free of duty.
10. Reduction of number of cases where certificates of origin are required and the simplification of such certificates. Simplification of consular invoices, with elimination where possible and with visaing charges reduced.
11. Simplification of requirements relative to certificates of quality, purity or other technical tests.
12. Rapid passage of goods through customs.
13. Abstention from severe penalties for trifling infractions of customs procedure or regulations.
14. Avoidance of delay in passing advertising matter through customs.
15. Consulate hours to coincide with business hours; overtime charges to be as reasonable as possible.
16. Examination of traveler's hand baggage in trains.
17. Extension of warehousing facilities with charges at reasonable figures.
18. Cooperation of customs and other services at frontier stations.
19. Examination of registered baggage of interior customs stations.
20. Machinery for handling disputes as to interpretation or application of convention.



(1) Each Fenestra Butt is composed of two members, one being attached to the jamb of the ventilator and the other to the adjacent bar of the sash.

(2) The butt members are given unusual supporting strength by being double riveted through both weathering and sash bars.

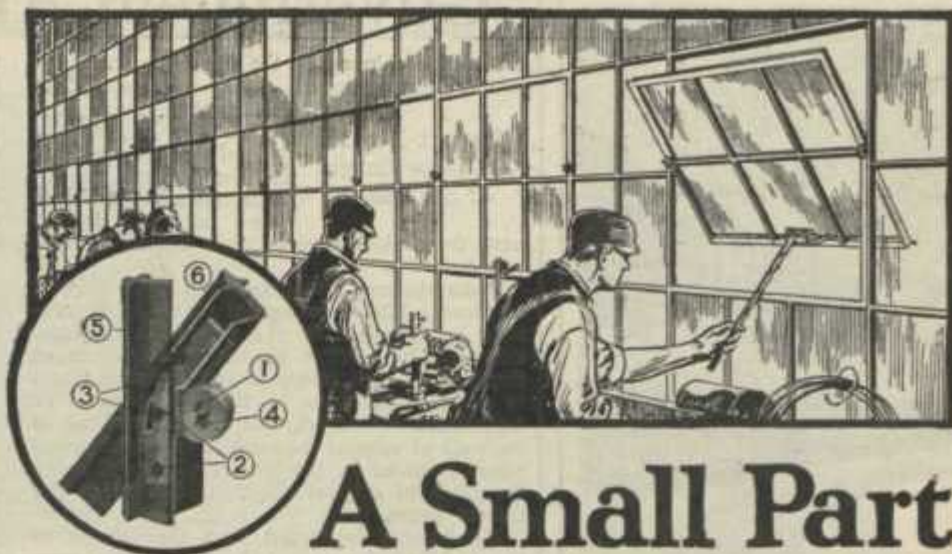
(3) The Fenestra Butt is protected against driving storms by overlapping weathering shown at these points.

(4) This slot in the projecting "ear" of the butt member attached to the sash permits easy adjustment up or down.

(5) This shows the sash bar.

(6) The vent bar is shown here.

(7) The butt bolt is provided with a shoulder on which the ventilator turns.



A Small Part with a BIG JOB

To the "man on the street", steel sash is steel sash. But to the plant executive, the factory superintendent, the engineer or architect and to the employee who works behind these great walls of steel and glass, there are vital differences in steel sash construction. To the men who *know* there are many *small parts* that have big jobs to perform.

And one of them is the Fenestra Butt—a vital part of the Fenestra ventilator. Its big job is to provide sure weathering, to insure easy and accurate operation and by its sturdy construction to give this service for many years to come. How it performs these important functions is explained and illustrated on this page.

This is but one of many details which, taken together, give Fenestra its great advantages and account

for the fact that one-half of the steel windows now being made in this country are built in Fenestra factories.

You will find in the Fenestra organization near you, practical men who are prepared to assume the following five-fold responsibilities in connection with your building operations.

1—Localized assistance in *laying out* window openings efficiently and economically; 2—quick, accurate *estimates of cost* without reference to home office or factory; 3—details, drawings, changes, additions, handled by experts *in the buyer's vicinity*; 4—prompt shipment, backed by *three factories and 25 warehouses*; 5—*speedy erection* by the Fenestra Construction Company, and complete *responsibility* for a satisfactory job.

Write today for our 1924 "Blue Book"—
a 116-page catalog of Fenestra products.

DETROIT STEEL PRODUCTS COMPANY, H-2244 E. Grand Boulevard, DETROIT
For Canada: Canadian Metal Window & Steel Products, Ltd., 160 River St., Toronto

This Tells
You It's
Fenestra

Fenestra

The Original Steel WindowWall



Reefs of Jeopardy

The wise government places lights and buoys along its coasts on those reefs which are a source of danger to ships.

The wise man will put warnings on those reefs of jeopardy to his life and happiness—sickness and ill health.

It is just foolish for a man to go blindly from month to month without having a check-up on his physical condition. Without knowing it, he may be driving straight for such diseases as Bright's, diabetes, kidney trouble, or any of the many which give no visible warning of their onset, but which can develop in the system unknown until they have become acute.

It is a duty you owe to your loved ones and yourself to have a periodical check-up on your physical condition, so that you may know if some slight irregularity has started. Taken in time, it is easily remedied; neglected, it may mean your physical shipwreck.

Our service keeps this check-up on your system with the least possible trouble to you. It puts the laboratory scientist checking up the state of your health four times a year by means of urinalysis. It costs so little that doing without it is just plain neglect.

"The Span of Life" tells you the whole story, an interesting and important one, well worth reading. You may have a copy free by return mail.

NATIONAL BUREAU OF ANALYSIS

N. B. 24 Republic Bldg.
Chicago Ill.

National Bureau of Analysis,
N. B. 24 Republic Bldg.,
Chicago, Ill.

Gentlemen: Please send me, free of charge, a copy of your booklet, "The Span of Life," and full particulars of your plan.

Name

Address

Government Aids to Business

To serve shippers in the interior, particularly in the middle western states, the Department of Commerce is compiling statistics of exports by state of original shipment. The department's statistical reports have previously shown only the exterior

ports from which export freight cleared for foreign countries.

Under the new arrangement, all goods shipped on through bills of lading, for which the declarations are prepared by the shipper in the interior, will be credited to the interior state of shipment. Goods consigned from interior places to seaboard ports, to be there consolidated or reconsigned for export, will also be credited to the state of original shipment if an export declaration prepared by the interior shipper, showing the place of original shipment, is filed at the custom house.

Merchandise forwarded from the interior to the seaboard for export by commission merchants, forwarding, or other export agents, and the export declaration prepared by them will in most cases be shown as exported from the port of final shipment, and will so appear in the statistical reports.

The cold storage information service of the Department of Agriculture will be expanded to include six cities in addition to the four for which the storage movements of butter, cheese, eggs, and dressed poultry are now reported daily. The figures for New York, Philadelphia, Chicago, and Boston are no longer properly representative of storage movements throughout the country, the department believes, because large quantities of products are held in other cities near important production centers.

The department plans to issue on Monday of each week reports on holdings in twenty-five cities. The figures will be obtained on Saturday by branch office representatives in the cities to be reported, flashed over leased telegraph wires to Washington, summarized at the Washington office, and a composite report flashed back to the branch offices Monday morning for immediate distribution to the trade and other interests. Under the new arrangement, the department's monthly preliminary report of cold storage holdings will be eliminated, but the final monthly report issued about the 15th of each month will be continued.

A ready reference to the port facilities of Mobile and Pensacola is now available with the issuance of the third of the series of reports on American ports in preparation by the Board of Engineers for Rivers and Harbors, War Department, in cooperation with the Bureau of Research of the Shipping Board. Reports on Portland, Maine, and Boston had been previously published.

The report on Mobile and Pensacola includes full information on port and harbor conditions, port customs and regulations, services and charges, fuel and supplies, and all facilities of the ports available for service to commerce and shipping, including piers, wharves and docks, dry docks, ship repair plants, coal and oil bunkering facilities, grain elevators, storage warehouses, bulk freight storage, floating equipment, wrecking and salvage equipment.

There is also adequate information on the railroads communicating with the ports and their charges and practices in connection with terminal service. Tables and maps showing the origin and destination of imports and exports are important features of the report. Import and export rates through Gulf ports are compared with

rates through north Atlantic ports, and tables are presented to show the differentials resulting from every rate change since 1914, not only differentials for class rates, but also for selected commodities.

Copies of the report on Mobile and Pensacola may be obtained for 75 cents from the Superintendent of Documents, Government Printing Office, Washington, D. C.

An investigation relating to the manufacture of water gas has been made by the Bureau of Mines; the State Geological Survey Division of the State of Illinois, and the Engineering Experiment Station of the University of Illinois.

Efficiency of Soft Coal Used for Water Gas

The results of the investigation indicate that at the present time, with the prevailing high price of coke, water gas can unquestionably be made from bituminous coal more cheaply than from coke. As prices of coal and coke advance, with an increasing margin of difference between them, the economy that can be realized from the use of coal as generator fuel increases.

When coal is substituted for coke and the same methods of operating are used as with coke, there is an appreciable waste of fuel, which can be eliminated. The amount of that waste per thousand feet of gas made will increase as the standard of gas is lowered. The present tendency is one which is toward a lower standard for city gas.

One method of eliminating waste—through the use of a waste heat boiler with combustion chamber—is suggested and discussed in Technical Paper 274, Efficiencies in the Use of Bituminous Coking Coal as Water Gas Generator Fuel, obtainable from the Bureau of Mines, Washington, D. C.

When may plaster be painted? is a question frequently asked of the Bureau of Standards.

To Determine Time Required to Dry Plaster

To that question the bureau has made answer that painting may begin as soon as the plaster is thoroughly dry. But that answer raises the question of the length of time required for the plaster to dry.

The drying of plaster is important not only as it affects painting operations, but also in its relation to the erection of wood trim, and because of its effect on the time required for construction projects. A slow-drying plaster may delay completion of the work, and thereby cause financial loss to the contractor, or it may delay the occupancy of owner or tenant.

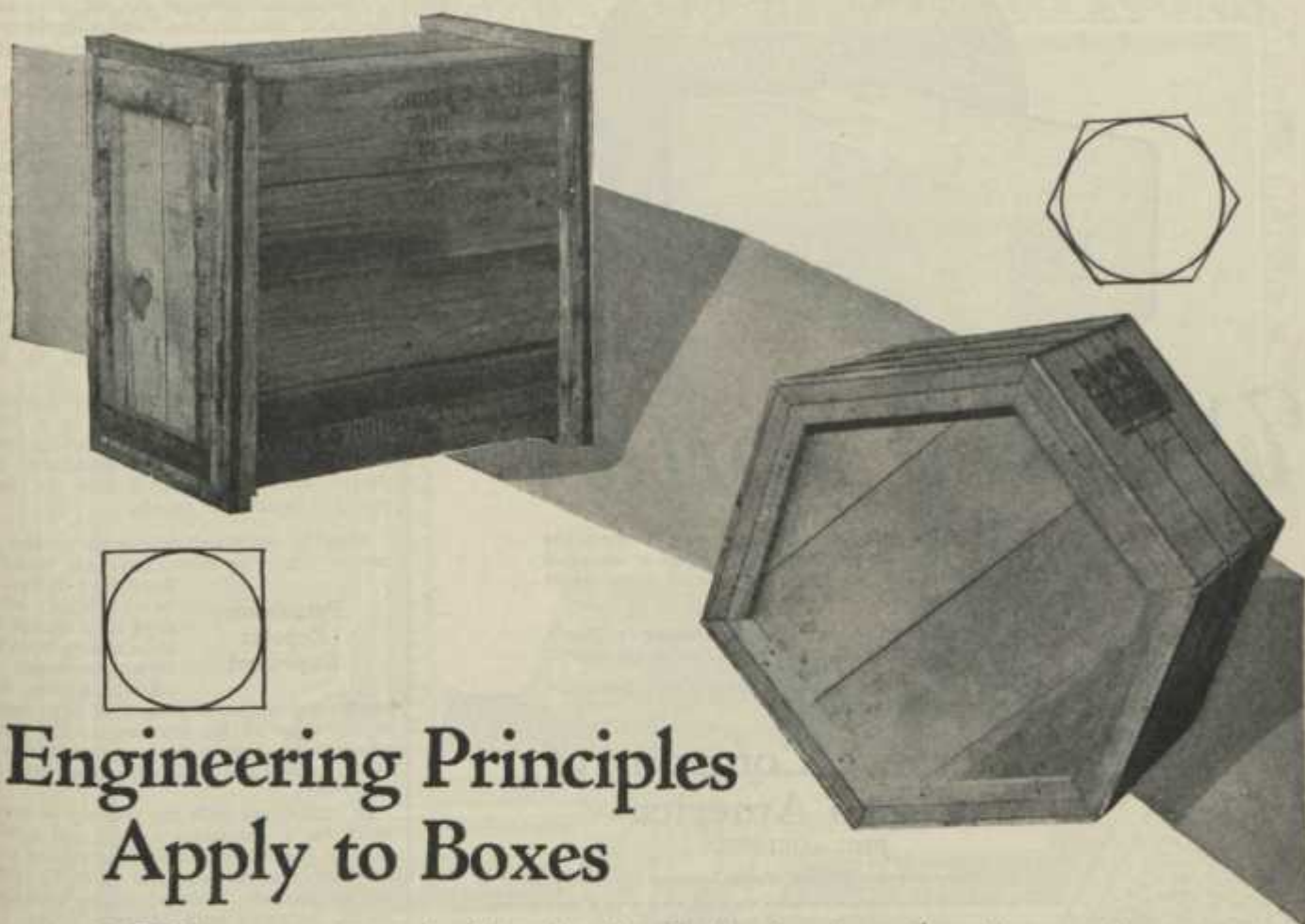
In order to determine the time required for the drying of different kinds of plaster under atmospheric conditions, the bureau has designed special equipment which is now in process of construction in the bureau's shops. The research work will begin as soon as the equipment is available for use.

The physical properties of building stone are in process of determination at the Bureau of Standards by means of weathering tests.

Resistance of Building Stone to Weathering

Stone and sandstone specimens are now under examination to ascertain the effects of frost. Several of the limestone specimens have been subjected to a thousand freezings without appreciable sign of disintegration. Some samples of the better grades of sandstone have come through five hundred freezings in good condition.

The Bureau is also making tests to determine the effectiveness of stone preservatives. Specimens treated with various waterproofing materials are used in the tests. To determine the preserving action of the treatments when first applied and after considerable exposure to the



Engineering Principles Apply to Boxes

HERE is a concrete example of the value of an unprejudiced Box Engineering Service.

On the left is shown the shipping box formerly used by a large metal manufacturer. The product is metal disks—circular in shape. This box is strong. Carries its contents safely. The steel bands give added strength and theft-protection.

The Pioneer Wirebound Box—shown on the right—was designed by a General Box Engineer. Note the shape and the consequent saving in displacement.

Equal strength and protection is obtained in the new box. The weight saved amounts to eighteen pounds per box. The product carries better because the Pioneer is designed to fit the shape of the product.

The cost of assembling is reduced. Twice as many Pioneers are assembled in the same time.

Packing is easier, quicker. The cost of strapping is eliminated.

Enroute, the Pioneers save car space because they are nested in the car in honeycomb fashion. The destructive effects of shocks and strains are minimized. The Pioneers also handle easier—from the shipping room of the manufacturer to the receiving room of the customer.

Last, but not least, the customers highly approve of Pioneers. They are opened simply by cutting the wires—a matter of seconds. The top or sides are folded back, depending on the shape of the Pioneer. The contents are unpacked quickly without trouble.

If you would like to have a General Box Engineer design a box or crate to fit your product, just write us to that effect. This service costs you nothing—inconveniences you in no way.

A copy of "General Box Service"—an interesting booklet on better boxing and crating—will be sent to you on receipt of your request. Write for it today.

GENERAL BOX COMPANY

504 North Dearborn Street, Chicago, Illinois

SIXTEEN FACTORIES GIVE YOU CLOSE AT HAND SERVICE:

Bogalusa, La.
Brewton, Ala.
Brooklyn, N. Y.
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East St. Louis, Ill.
Hattiesburg, Miss.
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Illmo, Mo.
Kansas City, Mo.
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New Orleans, La.
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What is it worth?

EVERY parcel post package you send represents a certain sum of money. If it is lost or damaged—as many packages are—the cost of replacement doubles your loss. Unless—

You automatically insure by enclosing a North America Coupon. The stub is your shipping record.

Inquire about the North America's new low rates on Parcel Post Insurance.



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"The Oldest American Fire and Marine Insurance Company"

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Name _____
Street _____
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Wants information on Parcel Post Insurance

135,000 Men Like Yourself

scattered through every community in the country read NATION'S BUSINESS.

They are important:

- (1) as purchasers for corporations;
- (2) as purchasers for themselves;
- (3) as builders of sound public opinion;
- (4) as community leaders;
- (5) as financial advisers and investors.

When you have advertisements of high character—intended for such an audience—we shall be glad to have you consider NATION'S BUSINESS.

A word from your advertising manager or your advertising agent will bring *complete* details.

NATION'S BUSINESS
Washington, D. C.

For a detailed classification of our audience turn to page 90

When writing to INSURANCE COMPANY OF NORTH AMERICA please mention the Nation's Business

weather, some of the specimens are alternately soaked in a 15 per cent solution of sodium chloride and dried at 104° Fahrenheit.

The crystallization of the salt gives an action similar to that of frost. Other similarly treated specimens are now exposed to the weather, and will be tested in the salt solution after a year's exposure, and again at the end of a two-year period.

The resistance of boiler-setting refractories to slagging has invited consideration in investigations of refractories by the Bureau of Standards. A laboratory slag test is to be developed for determination of the factors of composition of the slag and the refractory, and of their comparative effect on the life of brick. High, medium, and low-fusing clinker will be used in tests on different brands of refractories.

The testing apparatus includes testing panels of brick, which will be raised to a high temperature by means of a flame impinging on the brick. Finely ground and artificially prepared clinker will be introduced into the flame for direction against the panels.

Monthly statistical statements on the production of refined petroleum products, issued by the

Petroleum Reports Expedited

Bureau of Mines, are to be available within 30 days after receipt of complete reports from the producing companies. Bureau officials believe that the promptness of publication is of first importance to the value of the statements, and they have managed to shorten the period between receipt of the reports and their publication from 50 days to 30 days.

In compliance with the requests of several refiners for a statement showing the total quantities of gasoline produced by cracking processes, the bureau announces that probably that item will be regularly included in the monthly statements, beginning with January, 1924. The bureau has a great store of statistical data related to the petroleum industry, and that data will be made available on specific request to the bureau's Washington offices.

Definite recommendations for the standardization of grading specifications for yard lumber

and for structural timbers are to be made available by the Department of Agriculture through the Forest Products Laboratory at Madison, Wisconsin. The recommendations will be published in two circulars designated as Department Circular 295, "Standard Grading Rules and Working Stresses for Structural Timbers," and Department Circular 296, "Standard Grading Specifications for Yard Lumber."

A limited supply of the circulars is available for free distribution on application to the Forest Products Laboratory.

A report on industrial accidents in the United States has been issued by the Bureau of Labor Statistics as Bulletin 339.

National View of Industrial Accidents

The development of the system of workmen's compensation throughout the country, the bureau explains, has resulted in the assembly and publication by the several compensation jurisdictions of a vast store of statistical information.

About one-half of the report deals with that information in an attempt to show what can be gathered toward presenting a picture of accidents throughout the country. So far as possible the record has been arranged on a uniform classification of industries, cause of injury, nature of injury and location of injury.

The report also brings together tables from the reports of the Interstate Commerce Commission for railways, from those of the Bureau of Mines for mines and quarries, and from



Barbadoes Island Power Plant

A noteworthy example of a modern central station involving many new principles of design and construction. When complete this development will supply 120,000 Kw. for the Counties Gas & Electric Company.

The success attending the erection of this plant is typical of every undertaking of the U. G. I. Contracting Company.

A booklet detailing the interesting features of the Barbadoes Island plant will gladly be mailed on request.

Factories, Power Plants, Bridges, Gas Plants, Public Works

THE U·G·I· CONTRACTING CO.
Philadelphia U.S.A.

How the Judge learned something new about an every-day topic

THE writer was walking along the main street of an Ohio city with the judge of the county court who had travelled that street twice a day for 35 years. It was a brick-paved street carrying the heaviest traffic in the city. The pavement was somewhat rough, it is true, but it could still be travelled faster than twenty-five miles an hour without discomfort, or damage to an automobile.

"What's wrong with these brick pavements?" asked the judge. "They don't seem to stand up. Look at this, for instance, — terribly rough."

I replied with a question: "How old is this pavement, Judge?"

After some thought he guessed, "Now that I stop to think about it, these brick were laid about 30 years ago."

"33 years, to be exact," I corrected him, and then asked: "Are the bricks worn out? Let's just step over to the curb and look at them. They seem a little bit cobbled on the edges. Aside from that they're still perfectly good brick, aren't they?" I continued.

"Yes," he admitted, rather surprised, "they are."

Further conversation revealed that he had never considered the age of the brick — although he was living on that street when it was originally paved. He had never thought of the base, or rather the absence of one. He admitted that he never had seen any one repairing the pavement.

The judge thanked me for opening up an untravelled avenue of thought and confessed that he had been favoring paving with another material.

With a little help he now recalled that another street in town had had two — "yes, by jove, THREE" of the other pavements on it since this main street was paved with brick 33 years before.

"Well, that makes an average of 11 years apiece for that type of pavement as against



33 years for the brick pavement that, a moment ago, you were so disgusted with, doesn't it, judge?" I prodded him.

"Yes, you're right," he confessed.

"Have you ever seen anyone patching that other type of pavement?" I pressed him.

"Yes, by golly, they patch that street every blooming spring," he almost shouted, by this time an ardent paving brick enthusiast.

"Well, judge, you wouldn't blame a hard wood floor if the joist gave way from under it, would you?"

No, of course he wouldn't. It was all perfectly plain to him now. No drainage, no foundation, no base. That was the trouble. These other pavements must really cost more in the long run than a person had any idea.

We figured out that enough had been spent on the substitute pavement on the other street — in spite of its lighter traffic — to buy two modern brick pavements.

Then the judge wondered whether brick pavements really didn't last too long. He suggested that if the brick would only wear out and expose the deficiencies below the surface, the average citizen would then place the blame where it belonged — on the lack of adequate and proper drainage, foundation and base.

"Judge," I said, "many cities are now taking up brick that have seen service from 20 to 30 years and relaying them, better face up, on a more modern foundation."

Then it came over the judge that such salvage value meant a real public paving economy, and he wished that his automobile contained the same measure of second-hand worth. But he penetrated to the meat of the coconut, when he concluded: "Come to think of it, the bond issue to pave this street was retired 13 years ago. I see what you mean when you say that brick pavements outlast the bonds."

Condensed from August 1923 issue of "Dependable Highways"

VITRIFIED
Brick
PAVEMENTS

NATIONAL PAVING BRICK
MANUFACTURERS ASSOCIATION
Engineers Bldg. Cleveland, Ohio

VITRIFIED
Brick
PAVEMENTS

OUTLAST THE BONDS

Are You 100% Well

Leading physicians agree that every person should have periodical health check-ups — and that those over 40 should have a physical examination at least once a year.

The information thus gained enables one to determine the proper steps to take to improve chronic conditions and to keep health at its highest possible level.

The latest scientific methods for making a complete "physical inventory" are thoroughly explained and illustrated in the booklet, "THE MEASURE OF A MAN." This booklet will be sent free upon request.



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"How To Raise Capital"



If you have a legitimate, meritorious project of any kind for which you desire to raise development capital through the sale of stock or bonds, write at once for free copy of this interesting and instructive book. Plans and methods of direct-to-investor financing fully outlined — based on twenty years' experience in handling investment advertising campaigns.

Finance Your Own Enterprise
Millions of dollars of investment capital are waiting service in the development of worthy enterprises. Submit detailed outline of the proposition you wish to finance and receive copy of this large, illustrated book, with personal letter of analysis and suggestions concerning your financing problem, free of cost or obligation. Address:

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those of the Bureau of Labor Statistics for the iron and steel industry. More elaborate treatment of those groups may be found in the publications of the bureaus named. A section of the report includes consideration of miscellaneous industries, as the manufacture of agricultural machinery, the automobile industry, building construction, paper mills and similar industries.

The report is obtainable from the Bureau of Labor Statistics, Washington, D. C.

Arrangements for a cooperative investigation of clocks and watches have been completed

Clocks and Temperatures

by the Bureau of Standards. A manufacturer of lever clocks is to supply the bureau with several clocks of different construction. The clocks will be tested to determine the effects of the variations of construction on the rates at which the clocks run under different conditions of temperature. A similar investigation will be undertaken to determine the effect of the jewels on the performance of watches.

Processes of nickel plating are to be improved, it is hoped, through experiments at the Bureau of Standards. The research work will include

Processes of Nickel Plating

the plating of specimens of cold rolled steel, the material selected for all of the tests. The deposits of nickel will be examined for hardness, for adhesion, and for resistance to corrosion. Tests will also be made of nickel plating on brass and other metals to provide a basis of comparison with the results obtained for steel.

Investigation by the Bureau of Standards has disclosed that spacers of sheet lead or wood

Spacers Affect Mortar Bonds

used to give uniform thickness between courses of masonry interfere with the bonding strength of the mortar. The spacers hold the stones apart, the Bureau explains, so that the mortar in setting shrinks away from the stone. Tests were made on limestone bonded with a natural cement, and with lead buttons and wood spacers.

The Bureau of Standards is experimenting with glue as a coating for paper. In the series of experiments so far reported, nine runs were

Glue as a Binder for Coating Paper

made on an experimental coating machine with two makes of bone glue for eight of the runs and a French casein glue for one. A good grade of English coating clay, Lee Moor, was used for all runs.

Tests indicate that the water resistance of glue-bound coating containing chrome alum compares favorably with that of casein-bound paper coating containing no formaldehyde, and the bureau believes that the degree of water-proofness will be sufficient for most of the papers used for half-tone printing.

Smoke abatement is more a problem of psychology than of engineering is the belief of the

Abatement of the Smoke Nuisance

Bureau of Mines after investigation of conditions in many cities. An active and enduring public interest is seen as a most important force in combating the smoke nuisance.

Asserting that the spread of the smoke nuisance has kept pace with the progress of industrial development and the increase of urban population, the bureau explains that dense smoke escaping into the atmosphere does considerable damage to fabrics and merchandise with extra expense for cleaning, and that it has a serious pathological aspect in its effect on the lungs. A direct relation is also seen between

heavy, smoke-laden atmospheres and the morbidity of the population, with attendant lowering of efficiency and increase of crime and suicide.

From its investigation the bureau concludes that in domestic furnaces it should be possible to reduce smoke from 50 to 75 per cent without spending any money for additional equipment and with change only in the methods of management, engineering judgment, and designing skill; that any locomotive properly equipped with standardized smoke-abatement devices can be made to do its required work without making dense smoke; that all metallurgical operations can be conducted smokelessly with powdered coal, coke, fuel oil, or producer gas.

The results of the bureau's investigation, together with suggestive practices for smoke abatement, are presented in Technical Paper No. 273, obtainable from the Bureau of Mines, Washington, D. C.

Sources of information on radio are included in Circular 122, issued by the Bureau of Standards.

Sources of Information On Radio

The circular presents a list of publications concerned with radio, and of radio books of general interest. Summary is made of the radio

laws of the United States and Canada. The radio inspection districts are shown on a map.

The circular is sold by the Superintendent of Documents, Government Printing Office, Washington, D. C., at 5 cents a copy.

Failure of the linings of glass-melting tanks is an annoying source of trouble to manufacturers of glass. It is not unusual for linings to fail from corrosion after a service of 10 to 14 months.

Glass Tank Refractories and Corrosion

explains the Bureau of Standards in asserting that a life of 20 to 24 months for the linings is not an unreasonable expectation. Recognizing the need for better refractories, the bureau is to make an investigation to determine the relation of refractory composition, conditions of service and life. Typical brands of refractories will be tested.

The bureau has built 27 small tanks, lining them with refractories which are typical of open burned aluminous and silicious brands, and brands of medium composition. The refractories will be subjected to the corrosive action of a soda lime glass at high temperatures, and the reactions obtained will be correlated, if possible, with the various types of refractories used.

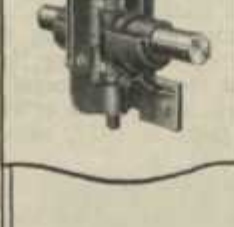
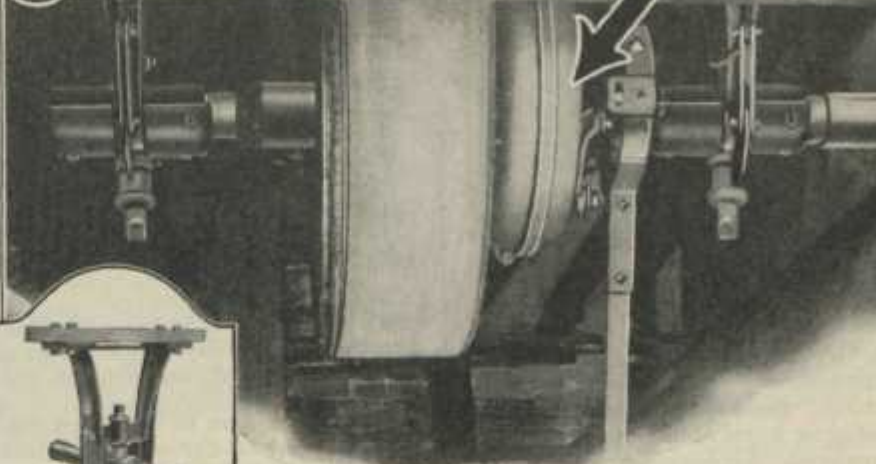
A report on one hundred imported cotton cloths has been issued by the United States Tariff Commission. The report is directed to a comparison of rates of duty on cotton cloths under the present tariff act with those under the two preceding acts. The Commission finds that under the acts of 1913, 1922, and 1909, the average rates of duty on the one hundred cloths selected as typical of imports bear the relation of 100, 168, and 200 if based on the normal low price level prevailing in 1913; and the relation of 100, 145, and 163 if based on the high price level prevailing at the time of the boom in 1920.

Those two levels were selected as the limits between which prices will probably fluctuate under the act of 1922 and therefore as well adapted to show the relative duty levels under different acts. The present level of prices is approximately half way between the two extremes.

The report includes two tables, and is illustrated with photographs of samples of imported cotton cloths. Copies of the report, listed as Tariff Information Survey I-3a, are obtainable at 10 cents a copy from the Government Printing Office, Washington, D. C.

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After 15 Years of 24 Hour Service



AFTER 15 years, the Dodge Clutch pictured above is still functioning for a midwest manufacturer whose business often demands 24 hour service day in and day out, from his power transmitting units.

This is just one of thousands of instances where Dodge Power Transmitting Machinery has by performance more than justified its specification.

Dodge means power savings. Dodge equipped plants are delivering the maximum of generated power to the machinery of production.

Five hundred local dealers distribute Dodge Power Transmitting units on the immediate delivery basis.

DODGE

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Power

Six

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hotels in 6 weeks

In the closing weeks of the old year six more communities, through Hockenbury service, saw their hotel facilities vastly improved. Six hotels, financed in as many weeks, is a record to be proud of!

Durham, N. C., Long Branch, N. J., Henderson, Ky., Berwick, Pa., Greenville, S. C., and Williamson, W. Va., are the six. Ask THEM what they think of Hockenbury service!

22 Hotels in 1923

These six are but part of the 22 other cities wherein we financed new and modern hotels during 1923. A year ago these cities were just where your town is today. 1924 will see 25 to 50 other cities get modern hotels.

Will Your Town Get One?

Hockenbury hotel financing service is not restricted to cities of any given size. Hockenbury financed hotels are in towns of from 5,000 to 500,000 population. We can get a hotel for YOUR town!

Ask us to place your name on list "C-2" to receive each month a copy of THE HOTEL FINANCIALIST, a journal devoted to community hotel financing.

It's sent gratis to readers of THE NATION'S BUSINESS.

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Chips from the Editor's Work Bench

WALKING and talking delegates of the "Bookkeepers, Stenographers and Accountants' Union" are combing New York business houses for members. The delegates are comely stenographers seemingly picked for their parts with Ziegfeldian astuteness. The girls say the wage of \$25 a day paid to plasterers belittles the touch system used in their "profession." Some of them get only \$12 a



week, they contend, with considerable overtime and no extra pay. Bank clerks are not in much better case, the delegates say—long hours and low pay.

For stenographers in big offices the union seeks a seven-hour day with hours from 8 to 4, or from 9 to 5, but there must be one hour for luncheon. That fiat is flat and final. Time taken for facial makeup and for putting on or taking off furs and coats is to be on office time. And glib the union certainly is with the parlance of trade unions—"time and a half for overtime and double time on holidays."

Thus the banner of the "white collar" workers is flaunted to show that the hand that rocks the typewriter rules the boss. Report has it that when the delegates marched into the financial district, even hardened brokers who presumably came to scoff remained to play—"everybody wanted to join the delegates whether or not they had any use for the union."

And the cruel employers—what of them? Probably coming down early and staying late to think up new forms of slavery.

EGGs have been fairly well standardized and simplified, but there are still important possibilities for stabilizing the inner qualities. Alien eggs could hardly be expected to be as punctilious in meeting our requirements as the domestic product. But the exterior of any egg gives meagre direction for placing trust. The taciturnity of eggs is traditional. Give an egg a bad name and it bears it in silence, but strike it in anger and it will turn on you with all its strength. Even an egg will turn—if you keep it long enough.

That is why, perhaps, that the Department of Commerce in its statistics of eggs, recognizes the eventualities with engaging frankness, and reports "eggs or poultry, in the shell." So it is that foreign eggs come to us with a price on their heads, dead or alive—832,899 dozen of them in 1922, valued at \$183,581.

AMAN is known by the cut of his roof-tree, say learned old medicos over in London Town. They see the flat-dweller tending toward flat feet, varicose veins and excess fat. Hanging around a house favors body over mind, the doctors believe, but the brain of the flat-dweller outdoes his brawn. Now there is new meaning to flat-heads and fat-heads, and in the galaxy of indoor ills varicose

veins cannot stand out with housemaid's knee. But the doctors don't go far enough. What about the wanderlusters, the trotters, the gypsies, the Indians—all the nomads of the earth? They know nothing of rooftrees or hearthstones. They, too, are set apart by their strange quirks.

This business of living with landlords and leases does give a man a character. But like as not, the men of science are only "spoofing." That fellow Omar, for example. He'd be an easy mark to spot. Fancy anyone defying a housing shortage with a jug of wine, and a few other trifling accessories! Tenters are as odd fish as renters.

LOCOMOTIVE whistles are not so good as they might be, says Arthur Foley of Indiana University. High-pitch whistles are far more effective than low-pitch whistles, he believes. The usual position of the whistle complicates a forward projection of the sound. We are told that the sound is deflected by the smokestack, bell, steam dome, generator and a blanket of gases. Every year, says Professor Foley, 2,434,026 tons of coal are burned in making steam to blow locomotive whistles. He wants to see the whistles placed farther forward, and adapted to a high-pitch note. Those improvements, he thinks, would help to save many lives and many dollars—how many lives he doesn't know, but the saving in railroad coal bills, he figures, would amount to \$5,000,000 a year.

The professor seems rather low in his mind about our whistles. To him they are mostly sound and fury signifying nothing. Well, this thing of blowing off steam does seem a bit expensive—it costs a lot of money for men or engines to go on a toot. But easy there, professor. You may let us in for officious tuning of our whistles. Even a poor toot is worth more than a bureaucratic toot.

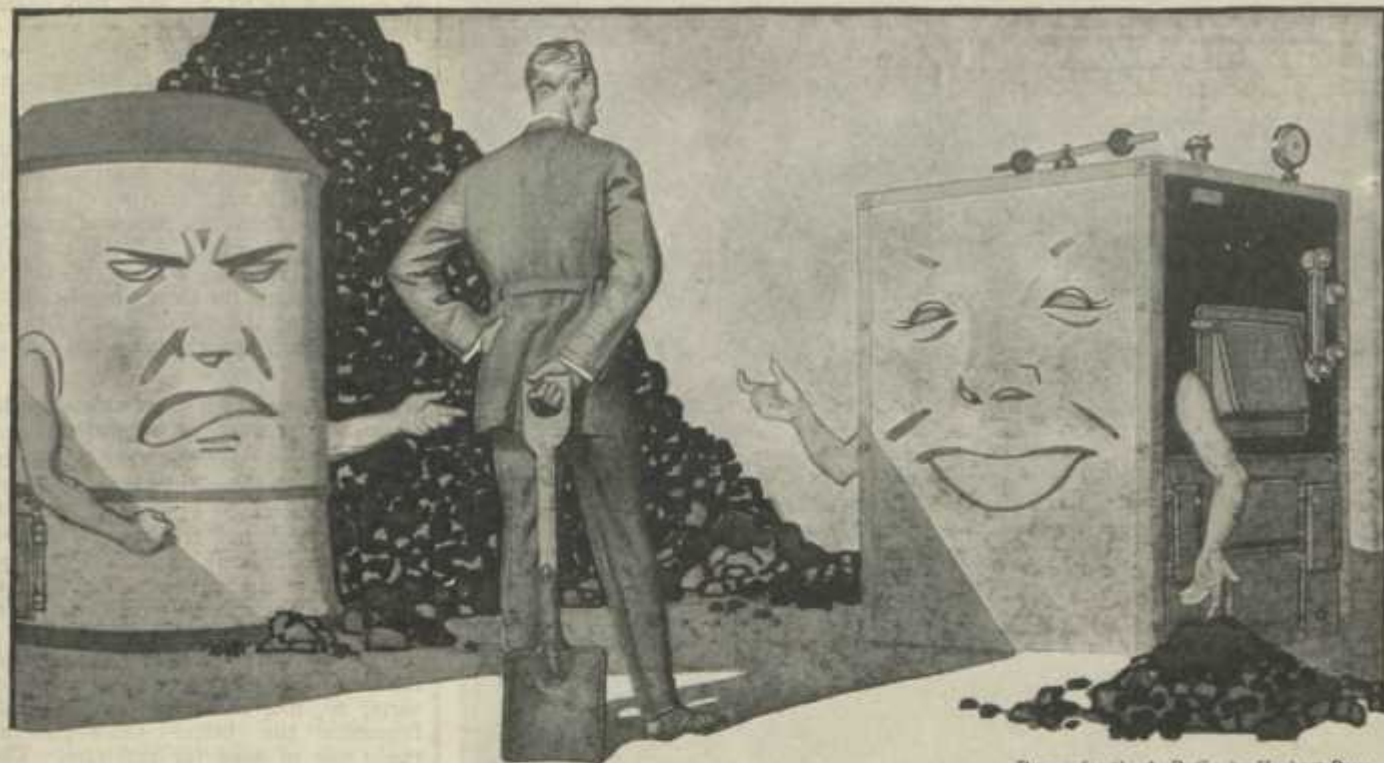
UNDERWEAR fabrics are not what they seem to most persons, regrettably announce executives of the Associated Knitwear Manufacturers of America. The manufacturers propose to do something about the general confusion of names, and they are resolved on spending \$250,000 a year in educating the public to a more precise knowl-



edge of the terms used in classifying types and fabrics.

Not one person questioned by members of the association could identify "flat wool"—one believed it "bandage cloth"; others said it was "wool mixture," "flannel," "jersey." The answers to questions on other fabrics were also wide of the trade-mark. Women did little better at identification than men.

Underwear has been taken too much for granted, it seems—admitted to the best homes and on intimate terms with the most aristocratic families without question. No one took thought to inquire about its character. Now it is to be exposed to pitiless publicity. If it has been a mere flimsy pretext by which



Drawn for the A. R. Co. by Herbert Paus.
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Your Boiler is your Boss—*pick a good one*

YOU don't decide how many tons of coal you must order. Your heating plant does that.

Suppose you have an old-fashioned boiler or furnace which demands 18 tons every winter. You can take it out, put in an IDEAL TYPE A Boiler and cut the annual consumption to about 12 tons.

Figure out the saving—six tons a year, for example, multiplied by twenty years; it's enough to pay for the IDEAL Boiler and a good surplus besides.

Isn't it foolish to keep on putting money into the fire when, by such a

little effort, you could have a tidy sum every year for something else.

Write your name, address, and the number of rooms in your house, on a postal card and mail it to either address below. This invitation applies to you whether you are *building* a new home or *planning* one, or *living* in an old home with old-fashioned heat. We will send you a booklet about the IDEAL TYPE A, and the name of your Heating Contractor who is our representative.

Send the postal card today, and begin to save money *this* winter.

IDEAL BOILERS and AMERICAN RADIATORS *save coal*

Your Heating Contractor is our Distributor
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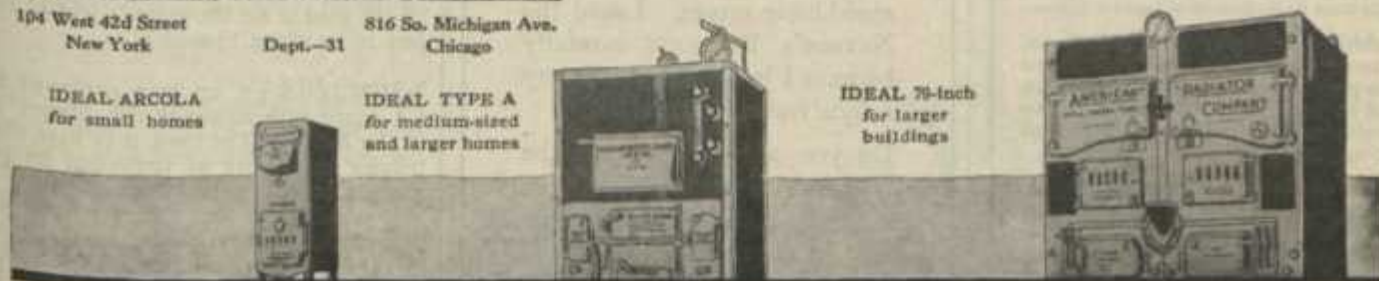
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IDEAL TYPE A
for medium-sized
and larger homes

IDEAL 70-inch
for larger
buildings



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— all the difference
between just an ordinary cigarette
and—FATIMA, the most skillful
blend in cigarette history.

A man might read a dozen books on the present complicated income tax without understanding it. Rossmore, by definite examples, shows you just how to figure your own problems, instead of giving you elaborate general statements which you must yourself interpret and apply.

FEDERAL INCOME TAXES

PRINCIPLES AND PRACTICE, 1924

By E. E. ROSSMOORE, C. P. A. (N. Y.)

Formerly, chief of the special audit section, chief of the consolidated returns section, and lecturer on income and gift taxes in the Bureau of Internal Revenue.

467 problems, with complete solutions, that cover Individuals, Partnerships and Corporations. For each question in your return, you can turn right to the problem which deals with it and get a complete and simple answer.

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**Edward A. Filene,
Great Boston Merchant,
writes:**

"I believe that the greatest success in the next ten years will come to those men who have the broadest comprehension of the affairs of the nation as a whole, and enough of world vision to avoid basic errors. I read the NATION'S BUSINESS carefully because I believe that it is very helpful toward this end."

Do you also think that the NATION'S BUSINESS should be read more widely by business men? More than 135,000 read it now.

to get next to us, we shall very soon know about it.

Good! Hew to your line, gentlemen, and let the nainsooks—or is it balbriggans?—fall where they may!

AWAR on mendicants has been declared in New York by the Merchants' Association and the Bureau of Advice and Information. More than two thousand organizations are actively appealing for aid, and that circumstance takes no account of the persons who solicit alms for their own use. Information regarding the use of money by soliciting organizations is provided by the bureau, and the association warns

Do not give until it hurts unless you know to whom and for what you are giving.

The beggars in New York are active and ingenious. A hustler, the police say, can make \$30 a day. Pretending deafness is a common fake, but trickery of any sort requires practice, and many a novice has been exposed by thoughtlessly stepping out of character. Your true mendicant is a master of make-up. The wistful-eyed, shabby patriarch who shambles through subway trains with outstretched hat is an artist of sorts; so, too, the engaging "clubman" who frequents the better thoroughfares with ready tale of need for taxi fare. They and their kind make easy capital of sentiment with consummate artifice. But is there not some recompense for the donor in the beggar's touching mimicry of want? In that tolerant mood we should—

Rake not the bowels of unwelcome truth to save a half penny. It is good to believe him. If



he be not all that he pretendeth, give, and under a personate father of a family, think (if thou pleaseth) that thou hast relieved an indigent bachelor. When they come with their counterfeited looks and mumping tones, think them players. You pay your money to see a comedian feign these things, which, concerning these poor people, thou canst not certainly tell whether they are feigned or not.

NOT ALL outworn things go to the junk pile—or to a rummage sale. Over in Seville old automobile tires are cut up to make heels for workmen's shoes. The climate is dry and there is no need for cutting up old tire chains to safeguard the feet from skidding. The present vogue of balloon tires gives promising prospect for a light and airy step when the casings are no longer visible means of support to motor cars. How long the new uplift movement has tempered the shocks of Spanish life we know not. But will it not take all the glamor off the difficult feat of Spanish feet in "walking Spanish?"

NUMBERS get up to a parity of importance with names in San Miguel, a port of the Azores. The town is to have the electrifying experience of projecting its personalities through the telephone.

Report has it that the merchants of San Miguel began agitation for telephone service in 1912. Eleven years waiting for a number! High time that patience should look to her resources and demand a receiver.—R. C. W.

What Use Do Owners Make of Their Cars?

HOW DO motorists use their cars?

A fairly representative answer comes in 1,000 replies to question cards sent by the National Automobile Chamber of Commerce to 10,000 motorists selected at random in blocks of 1,000 in ten states, including Alabama, California, Illinois, Iowa, Massachusetts, New York, Oklahoma, Pennsylvania, Texas and Wisconsin. Most of the answers came from small towns and cities; a circumstance that may qualify a general conclusion when applied to larger cities and suburban areas.

The answers disclosed that for driving to work directly, 52 per cent of the motorists used their cars; 7 per cent drove only to railroad stations on their way to work. In business the use was disclosed to be: 46 per cent daily, 36 per cent occasionally. For evening driving, 68 per cent of the motorists used their cars, and 52 per cent drove their cars to picnics. The total for motor camping was 20 per cent. Long distance touring was reported at 51 per cent. Driving to church brought out 52 per cent of the cars. Taking children to school required 18 per cent of the cars, shopping 58 per cent, and driving to benefit the aged and the infirm, 27 per cent.

Driving-to-Work Leads

THE HIGHEST percentages among the ten states for the uses reported were: Driving to work directly, Oklahoma, 73 per cent; driving to railroad stations en route to work, Alabama and Oklahoma, 13 per cent; use in business-daily, Oklahoma, 69 per cent, occasionally, Iowa, 59 per cent; evening driving, Texas, 81 per cent; picnics, California, 64 per cent; motor camping, California, 46 per cent; long distance touring, Massachusetts, 59 per cent; driving to church, Texas, 81 per cent; taking children to school, Texas, 29 per cent; taking out the aged and the infirm, Massachusetts, 35 per cent, and shopping, Texas, 67 per cent.

The lowest percentages for the uses reported were: Driving to work directly, New York, 36 per cent; driving to stations en route to work, Wisconsin, 0 per cent; use in business-daily, Wisconsin, 26 per cent; occasionally, Oklahoma, 21 per cent; evening driving, Pennsylvania, 61 per cent; picnics, Pennsylvania, 40 per cent; motor camping, Pennsylvania and Alabama, 9 per cent; long distance touring, Alabama, 31 per cent; driving to church, California, 29 per cent; taking children to school, Iowa and Massachusetts, 11 per cent; shopping, California, 44 per cent; taking out the aged and the infirm, California and Wisconsin, 18 per cent.

Use Wood to Wound and Heal

COTTON is the Dr. Jekyll and Mr. Hyde of war. In high explosives it propels the bullet that wounds the soldier. As gauze and absorbent cotton it dresses and binds the wound it made.

Germany felt the need of cotton for both uses during the war and turned to wood for the substitute. Wood cellulose was used in the making of explosives, and a purified wood fiber replaced absorbent cotton for many hospital uses.

Nor do the functions of this cotton substitute cease with wounding and healing. In Germany they are using it for lamp wicks, for inner soles of shoes, for packing and insulating and for filters.

GREENSBORO



Holds the Key to North Carolina's Wonder Industrial Zone

Analyze North Carolina, the fastest coming industrial section of the U. S. today, and you will find that her activities are centered in a zone along the Southern Railway, 50 to 150 miles wide, in which Greensboro is the best located city for shipping and business travel.

At Greensboro, rail routes and good roads converge from all directions, tapping a region of rich, diversified crops, of which this year's cotton alone will pay the farmer the biggest profit he has ever had.

Greensboro has ideal location—close to raw materials of farm, forest, mine and fishery—close to the markets—nearer to the center of population of the U. S. A., than Boston, New York, Buffalo, Philadelphia or Richmond—and is amply provided with banking facilities, hydro-electric power and native white labor—a splendid headquarters for manufacturing, wholesaling or sales division offices.

As for tributary territory—within 50 miles are 75 good manufacturing towns and 600,000 people; within 75 miles, enough big textile mills to spin 1,000,000 bales of cotton annually, one-tenth the entire 1923 U. S. crop. Greensboro, Winston-Salem and High Point form a close industrial triangle, including 323 factories, \$126,000,000.00 capital, which in 1922 made goods worth \$305,000,000.00.

Greensboro has business government, low taxation, progressive citizenship, practically no foreign population, 17% good, useful colored folks; six colleges, fine public schools, hospitals, libraries, churches, hotels and clubs.

For men of initiative, here is a City of Opportunity, a Place to Live, Serve and Prosper.

Place for Ideal Life

Owing to Greensboro's elevation, 843 feet, its climate has none of the summer languor of the Far South—none of the winter rigors of the North. Within a few hours' drive, over good roads, are famous winter resorts—Pinehurst, Southern Pines, etc.—and the equally famous summer resorts of the Blue Ridge mountains; choice of sea-bathing or mountain-climbing, wonderful hunting, golf or fishing.

Send for Facts

Write for fact-book entitled "Greensboro, Master Key of the South's Best Markets," Chamber of Commerce, 206 Jefferson Building, Greensboro, N. C.



Toronto Is a Public Ownership City

TORONTO, the Dome of the Dominion, owns and operates its own Electric Light Plant, its own Power System, its Street Railways, Waterworks and Abattoir.

This means low rates for the services rendered by these public utilities, to your advantage and profit.

Public interest in Toronto's affairs and a spirit of honest pride in Toronto's position and welfare, is abroad amongst its citizens.

Toronto is a city of pulsing personality—of vigor and vision—busy in business and joyous in recreation.

You will have an interest in Toronto; there is a part-ownership awaiting you, and you will have an immediate feeling of PARTNERSHIP (and pardonable pride), the moment you see the new ten million dollar Union Station.

Toronto is the Capital of Ontario and the second city of Canada, with 600,000 population.

Sixty-three per cent of Toronto's people own their own homes. This means a prosperous, self-respecting community.

Eighty per cent of its people are identified with some religious body or interest. This means a community of high moral standing.

The death rate is the lowest but one of all the cities on the continent having equal or greater population. This means a healthy community.

Thirty per cent of all American industries located in Canada have branch plants in Toronto. This means that Americans recognize the advantages of Toronto's rail and water transportation, its cheap power and lighting, its satisfactory labor conditions—and

Both Canadian and American industrial captains recognize the advantages of the low British Empire Preferential Tariff.

3400 industries have already proven to their satisfaction the profit possibilities of this great industrial hub.

Toronto is ready to welcome you—to cooperate with you—to give you thus a head-start toward Success.

Let the Toronto Publicity Bureau, sustained by the business men of the city, send you additional information and illustrated folders—free. Address Robt. M. Yeomans, Executive Secretary, 302 Bay Street, Toronto.

The Dome of the Dominion



THAT the new Congress is going to have a job keeping everybody happy when it comes to immigration legislation is evident.

"Immigration cut is too drastic," protests *The American Contractor*, in commenting on the cut in the percentage quota from 3 to 2 per cent; "Is it not wise to be guided by the liberal policies of the past rather than to shut the gates as we have been doing?" asks *The Commercial and Financial Chronicle*; while *The Mining Congress Journal* quotes the resolution of the American Mining Congress: "... we hereby place this organization on record as in favor of selective immigration ... to the end that mining and other industries may have a better labor supply than is now available. ..."

On the other hand, *The Annalist* comes out with: "The shams of immigration—the open door would sacrifice American standards without helping Europe's overpopulation," and *Manufacturers' Record* says flatly, "No larger immigration needed."

On one point all agree: that we must have wisely selected immigration. *American Contractor* is much in favor of a quota based on the 1890 census, and feels, in addition, that inspection at the source is advisable, provided the foreign nations are willing and the cost of maintaining inspectors is not too great. An advisory inspection service is suggested, whereby, if for diplomatic reasons we might not make inspection at the source compulsory, the immigrant may have a chance to find out of his own volition what his chances of being admitted are. With this sort of selection, believes the *American Contractor*, a 4 per cent quota would not be any too much.

"We are at war with our traditional policy," says *Commercial and Financial Chronicle* of the present law, and calls attention to the fact that inasmuch as we are entirely willing to feed needy Europe out of "a limitless Government chest or by huge private charities" we should give these suffering people "the opportunity to work in a new land, with all its attendant benefits." Furthermore, says the *Chronicle*, "if it seems impracticable to examine health and character on the other side in advance of departure, there should be enlarged facilities for a deliberate sifting policy on this side."

Inspection at Source Advocated

MINING *Congress Journal*, while advocating increased immigration as a means to a better labor supply, puts itself uncompromisingly on record for inspection at the source. "It is the province of this country to say who shall be admitted and we shall be thoroughly justified in laying down the rule that no person shall be admitted into this country from countries in which permission is not granted to ascertain before departure the qualifications of the proposed immigrant." In addition, this publication states flatly that it "has no sympathy for those who advocate unrestricted immigration as a means of curtailing the power of the Labor Union," inasmuch as "our Government possesses ample powers to prevent any activity by a labor union which is inimical to the public interest and except as organized labor does transgress the public right there should be no interference with the great public service which can and should be accomplished through cooperative labor movement."

Finally, most decidedly on the other side of the fence, is *Manufacturers' Record*:

The limitation of immigration as to numbers should not be removed. ... The country is now being flooded with a class of immigration much of which is extremely undesirable, and which merely adds to the burdens which we are bearing, without furnishing any additional sup-

ply of real, valuable labor either on the farm, in the mine or in the factory.

To a limited extent a few good working people are coming, but their number is very small as compared with the total immigration which is already, even under the present restrictive laws, entirely too great for our good.

No demand for labor for any purpose whatever should cause Congress to lessen the present restrictions. Far better would it be for us to make less material progress than to make it at the expense of endangering our existence as a nation by reason of flooding our land with foreigners of whom we already have too many.

Let Transportation Act Alone, Is the Cry from Railway Press

WITH the demand from all over the country, and especially from the radical group in Congress, for reduced freight rates, attention centers on the proposed repeal of Section 15a of the Transportation Act.

Railway Age reminds us that one can't eat one's cake and have it, and deplores the action of the nineteen railways who are attacking as unconstitutional the "recapture provision" inasmuch as, in the *Age's* opinion at least, the rest of the section is a desirable thing.

"All provisions of Section 15a must be considered as parts of a single whole in passing judgment on it or any part of it," declares *Railway Age*, and goes on to explain that, in attempting to repeal the recapture provision (which is to the effect that if any individual railway in any year earns more than 6 per cent on its valuation it shall pay one-half of the excess over to the Interstate Commerce Commission) the industry lays itself liable to repeal of the whole section, and indeed of the whole Transportation Act, which, if not entirely perfect, is at least the best machinery so far devised for providing the public with adequate service.

The *Age* further points out that from 1906 to the end of 1917 when railway rates were regulated by both state and federal commissions apparently upon the assumption that it was their duty to keep the rates as low as could be done without violating the constitutional inhibition against the confiscation of property, such a decline of railroad development resulted that the railroads were unable to handle the commerce of the country. Congress then directed, in Section 15a, that the Interstate Commerce Commission determine from time to time what would be a fair return for the railways. This means, says the *Age*, that the railways should not in the future be restricted to an average net return barely avoiding unconstitutional confiscation, but should be allowed enough return to develop their facilities.

That these provisions have not been carried out is, in the opinion of *Railway Age*, not the fault of the law, but of the administration, and it is not too late for Section 15a to be given the full force intended by Congress.

One of the best refutations of the current attacks on Section 15a, says *Railway Review*, is contained in a single paragraph of the President's message to Congress.

"By this time people pretty well understand that the allegations that this section includes a guarantee clause are not even a misinterpretation, but are intentional fabrications," states *Railway Review*, but adds that there was some doubt, apparently, in the minds of many, as to the propriety of a guarantee of "reasonable rates." This last doubt, however, the *Review* believes must unquestionably have been swept away by a single paragraph in the President's message to Congress, which it quotes as follows:

It has been erroneously assumed that the act

An Advertisement to Our Employees:



"If you have ever been doubtful as to whether we mean what we say, this ought to settle it."

People generally pay more attention to telegrams than to letters, don't they? You agree, because you know that the man who pays several times the cost of a letter to get his message before you quickly and prominently has something important to say.

That's exactly why I'm giving you this message in expensive—and valuable—space when I might get it to you more economically in several other ways. That's why I'm advertising, to you, the service you give.

There's another reason, too, I'm here going on public record with this—which I wouldn't be if the same sheet of printed words were sent to you at the hotel or at your home address.

Now forget those preliminaries and get the message:

You know, and I know, that the policies of this business are simple, and plain, and easily understood.

You know, and I know, that the biggest job in running these big hotels is to keep the human side of service up to our standard. The mechanical-service features don't make one one-hundredth the trouble that the people who give service do.

Our guests are promised, and guaranteed, a service that isn't only thorough, but is also helpful; that isn't perfunctory, and that is interested; that isn't ever grudging, and is always courteous.

Those written promises, made to our customers, are just as binding on us as are the written promises to our bankers to pay them certain moneys.

What I'm saying to you, here and now, is that those promises must and will be kept; neither you nor I nor anybody working in these hotels can forget them or neglect them, and get away with it.

All previous instructions stand, you understand, and all alibis are outlawed. You're to do all your authority permits toward satisfying any guest, and if that doesn't satisfy him you're to see that he gets to your superior.

You're to be guided by the Codes; you're to use your head; you're to follow the golden rule of treating the other fellow—guest or fellow-employee—as you'd like to be treated.

I don't want to preach, and I don't want to scold. If I do either I'll do it in

private. What I'm trying to do is to put this to you in the most forceful way I can think of.

If you have ever been doubtful as to whether we mean what we say, this—and the guarantee we give to every guest—ought to settle it.

The Guarantee of Statler Service

We guarantee that our employees will handle all transactions with our guests (and with each other) in the spirit of the golden rule—of treating the guest as the employee would like to be treated if their positions were reversed. We guarantee that every employee will go to the limit of his authority to satisfy you; and that if he can't satisfy you he will immediately take you to his superior.

From this time on, therefore, if you have cause for complaint in any of our houses, and if the management of that house fails to give you the satisfaction which this guarantee promises, the transaction should then become a personal matter between you and me. You will confer a favor upon us if you will write to me a statement of the case, and depend upon me to make good my promise. I can't personally check all the work of more than 6,000 employees, and there is no need that I should do so; but when our promises aren't kept, I want to know it.

My permanent address is Executive Offices, Hotels Statler Company, Inc., Buffalo.

J. Morahan

HOTELS STATLER

BUFFALO: 1100 rooms, 1100 baths. Niagara Square. The old Hotel Statler (at Washington and Swan) is now called Hotel Buffalo, and the old Ingham Hotel is closed, not to re-open.
CLEVELAND: 1500 rooms, 1000 baths. Euclid, at E. 12th.
DETROIT: 1000 rooms, 1000 baths. Grand Circus Park.
ST. LOUIS: 650 rooms, 650 baths. Ninth and Washington.
BOSTON: Now preparing to build at Columbus Ave., Providence and Arlington Sts.

STATLER and Statler-operated HOTELS

Hotel Pennsylvania New York

The largest hotel in the world—with 2200 rooms, 2200 baths. On Seventh Avenue, 32d to 33d Streets, directly opposite the Pennsylvania Railway Terminal. A Statler-operated hotel, with all the comforts and conveniences of other Statlers, and with the same policies of courteous, intelligent and helpful service by all employees.

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A few of the users of THE DICTAPHONE

Metropolitan Life
New York Central R. R.
Atchison, Topeka &
Santa Fe R. R.
Texas Co.
National City Bank
S. W. Straus & Co.
Travelers Insurance Co.
Lever Bros. (Lux and
Lifebuoy)
Southern Pacific R. R.
Q. R. S. Music Roll
Company
Westinghouse Electric
& Mfg. Co.

OVER 100,000 of these "doers" in business keep their work moving because they have THE DICTAPHONE handy for instant use.

As the morning mail is read they dictate to THE DICTAPHONE clear cut answers or notes to their secretaries, and their desks are cleared.

When they have directions to give they outline them fully when the plan of work is fresh in mind—then have the chance to see how their words look in cold type before they're released.

Verbal arrangements or telephone conversations are instantly repeated to THE DICTAPHONE. Their minds are never cluttered with half-remembered facts.

Each detailed part of the day's work is carried forward by letter or memo as far as it can be, laid aside, then the next is taken up for like action.

It's the same method that enables hundreds of doctors including many famous specialists, to speed their work and handle hundreds of cases in a day, by dictating to THE DICTAPHONE, notes about each patient, as fast as each successive examination establishes the facts.

The types of executives using THE DICTAPHONE

Thousands of executives like R. I. Bentley, President of the California Packing Co., W. C. Dunlap, Vice-Pres't and Sales Director, American Multigraph Sales Corporation, and Walter Todd, Vice-Pres't and Gen. Mgr. Todd Protograph, use THE DICTAPHONE in this way to speed and safeguard their detail—to get more time for creative thinking.

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304 West Water Street, Sandusky, Ohio

Boosters of the South

Enthusiastic "home town boosters" are now to be found in the great Southeast. They are filled with a new life. The alertness and "go" which we used to think of as typical of the West is growing to be equally typical of the South today.

In this number of the NATION'S BUSINESS, Ashmun Brown has begun a tale of the unfolding prosperity of the South. His article will be followed by two others.

MAIN and COMPANY Accountants and Auditors

PITTSBURGH HARRISBURG
NEW YORK PHILADELPHIA

undertakes to guarantee railroad earnings. The law requires that rates should be just and reasonable. That has always been the rule under which rates have been fixed. To make a rate that does not yield a fair return results in confiscation, and confiscatory rates are, of course, unconstitutional. Unless the government adheres to the rule of making a rate that will yield a fair return, it must abandon rate making altogether.

"What about the lean months?" pertinently inquires *Manufacturers' News*, apropos the suggested reduction in freight rates, and the intimation that the railroads are at present making too much money. This publication continues:

It is true the railroads are now operating at 100 per cent capacity. This is the time of year when they must make their profit. Nevertheless, at this peak period of prosperity the railroads are barely earning the so-called "reasonable" return. Many are not even doing this, especially in the Middle and Far West. They should, according to carrier statisticians, be earning not less than 10 or 12 per cent right now.

The time will come when the peak period will pass and not more than 75 per cent of the transportation plant will be in operation.

Why should the railroads be allowed to make a reasonable and profitable return on investment? Because the railroads constitute one-sixth of the purchasing capacity of this country and if they are not in the market, hundreds of thousands of workmen are forced into idleness.

A final defense of the existing machinery is made by *The National Stockman and Farmer* under the editorial caption, "Three Ways."

Nobody, says this publication, questions the urgent need of cheaper rail transportation, but there is great difference of opinion as to the best way to bring it to pass. The placing of a low and arbitrary valuation on railroad properties and the forcing of the companies to earn only on that valuation it characterizes as "simply dishonest." The second-mentioned plan, government ownership, would result, this magazine believes, only in inferior service and dearer transportation. But, says *National Stockman and Farmer*:

There is another plan which is not popular now and may not become so. It is to allow the railroads such returns as will make them capable of financing adequate equipment and giving good service; to allow them to deal with their own labor problems and institute economies in the use of labor; and then through means of regulation already established see that the rates are fair and equitable. This is the longest way to lower rates, but it is the shortest way to lower rates which will endure long enough to prove advantageous to the country.

Implement Trade Explains Why Farm Equipment Is High

"A DOSE of publicity" is what the farm implement trade needs, according to *Implement and Tractor Trade Journal*, in order that farmer customers may thoroughly understand that, far from profiteering on the price of farm implements, the dealer is just as hard hit financially, as is the customer.

The meeting at Cleveland of the National Association of Farm Equipment Manufacturers, at which it was resolved that a concerted effort should be made to put before customers the true status of the trade, has been vastly encouraging to the industry, *Implement and Tractor Trade Journal* asserts, and this opinion is shared by *Farm Implement News*. Says this latter paper:

Implement sales resistance among farmers is largely based upon the erroneous impression that implement prices are higher than the cost warrants. Many farmers evidently believe that these prices embody excessive profits. There is also an impression that the implement industry sustained no loss as a result of the de-



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GENERAL MOTORS makes the Buick, Cadillac, Chevrolet, Oakland, Oldsmobile passenger and commercial cars and GMC trucks. It also makes many essential automobile parts and accessories.

But General Motors is not self-contained. It buys hundreds of millions of dollars' worth of materials from thousands of different concerns throughout the world. And it sells a large portion of its output of parts and accessories to other automobile manufacturers, thereby contributing to the merit of many other trustworthy cars.

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flation. Many farmers no doubt honestly believe that they alone suffered a heavy loss.

These impressions are due to lack of information among farmers regarding the true status of the implement industry. Many of the dealers also lack this information and, as a result, . . . have acquiesced in the views of farmers concerning prices, instead of informing themselves as to the facts and thus placing themselves in position to combat sales resistance based on the belief that prices are excessive.

The *News* then goes on to explain the methods which the manufacturers are using to broadcast an understanding of the spread in the sale of farm implements, and concludes:

In the first of the series of advertisements it is correctly stated that the farm equipment industry "suffers today because of a misunderstanding on the part of those who should be its best friends." Let no dealer refuse to lend a hand in this campaign, which, with complete dealer cooperation, will bring about the desired and desirable change in this condition.

Ford's Experimental Mill May Benefit Textile Trade

THAT HENRY FORD will develop as revolutionary and economical manufacturing methods in his textile plant as he has in his automobile plant is the wish of *Textile World*, which, in a recent editorial goes on to say that:

Mr. Ford undertakes the solution of his newest industrial problem with ample capital and an open mind, assets of basic and almost equal importance. He is not handicapped by veneration of an ancestor's textile experience and methods, or by precedent. He cares nothing for what was or is in cotton manufacture excepting as it may guide his chosen experts in producing cloth more efficiently and economically. Mr. Ford's lack of respect for history, by the way, may be due to the fact that he is constantly making history—industrial history.

Will Soft Coal Miners Strike When Wage Contract Ends?

WILL THERE be a strike in the bituminous fields April first? Already the question echoes through the coal trade press.

A trip through the large mining fields, made recently, says *The Black Diamond*, brings about the opinion that the miners themselves are expecting a strike. In the first place, says this paper:

The mine owners cannot afford to grant either an increase in or a continuance of the present scale, because of the fact that competition from the nonunion fields so reduces their market as to make mining at the present or at higher costs unprofitable. Hence they will undoubtedly refuse to sign up for any such proposition. The miners are getting such short working time that they cannot accede to a reduction; an impasse is thereby created. Further, if the miners did accept a reduction, the nonunion fields would immediately make a parallel reduction, and market conditions and running time would be in no better shape than before.

Finally, John L. Lewis, having over a period of years given no ground, and having, with the assistance of Governor Pinchot, gained a substantial increase for the anthracite workers, cannot be expected to ask the soft coal fields to take a cut, or even stay where they have been for two years. Concludes *Black Diamond*:

We do not wish to put ourselves in the position of prophesying a strike, for we are as much in the dark in that regard as is anyone else. We do, however, realize that it is among the very real possibilities with which American business is faced.

The proposition containing the demands of the mine workers will no doubt include an increase

in wages, a six-hour day and five days per week, none of which will be included in the terms of a new wage contract, is the belief expressed by *Coal Mining Review*, in discussing the demands to be formulated at the Biannual Convention of the United Mine Workers, which convenes January 22. The demands will be used as an argument to renew the terms of the existing wage agreement, thinks this paper, but adds: "Any attempt to force a reduction of wages will cause a strike." The *Review* concludes with a warning to consumers to buy a reasonable supply of coal for storage.

In Illinois, says *Coal Age*, the general sentiment throughout the state is that there certainly will be a strike. Now that the Illinois Operators Association has gone on record as favoring four-state negotiations with a reduction in miners' wages, the question is only whether the strike will be of long or short duration, believes this publication.

The fact that many of the operators believe that there is no use in trying for wage decreases and will be willing to give in early in the fight favors a short strike; however, the present attitude of mine labor will make it difficult for John Lewis to sign a continuance of the present scale, and Illinois operators who will not fight for wage cuts will, *Coal Age* firmly believes, fight tooth and nail against wage increases. This, concludes the *Age*, renders likely a long strike, disastrous as it undoubtedly would be to the industry.

Fine Standardization Start At Recent Lumber Conference

GREAT satisfaction is manifested in various lumber magazines at the success of the conference on lumber standardization recently held in Washington.

Both *Southern Lumberman* and *American Lumberman* comment on the good start made by the industry. Says *Southern Lumberman*:

The standardization goal in hardwoods has not yet been achieved, but the hardwood industry is committed to the ideal and the hardwood men are working in conjunction with representatives of the Forest Service on an investigation of just what is needed.

Entirely in agreement is *American Lumberman*:

Frequent references were made during the conference to the "start" that has been made. These are significant, because when positive action once has been taken such a movement derives an impetus and acquires a momentum that are sufficient to carry it over obstacles that otherwise might make it impossible.

That standardization in the lumber industry will be a saving for the railroads is the belief of *Railway Review*:

It is stated that standardization would eliminate waste and reduce costs aggregating vast sums annually. We cannot but welcome such a conference. . . . If an improvement is to be inaugurated, the railroads, constituting perhaps the largest single consumer of lumber in the United States, are in a position to cooperate in rendering a public service of highest value.

Fancy Shoes a Loss to the Trade Is Complaint of Leather Press

SHOE salesmen are reporting that the novelty business has been overdone, says *Hide and Leather* in a recent summary by it of the state of the shoe trade. The trouble is, according to this magazine, that shoe dealers do not clean up one style before they are pressed to "play" another, with the result that they have odds and ends on their shelves that represent so large a loss as to overtop the profits they make on the novelties.

And a further black eye is given the novelty shoe by *Shoe and Leather Reporter* which, in answering the question, "What is the cause of high prices of leather and shoes?" gives as one reason the fact that "labor costs are much too high on fancy shoes."



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Do not incur the ill will of your debtor. He is your dealer. Once you sought him, cultivated him thru advertising, salesmen and literature—you now have an investment in him.

Unskillful collection methods will kill that investment and leave the debtor valueless to you as a dealer for the future.

Your business is sales, you study the psychology of the DEALER. Our business is collection after sales, we study the psychology of the DEBTOR, the same man under vastly different conditions. Our specialty is collecting your overdue accounts from your debtor and returning him to you as a dealer—a better business man because of his contact with us, and less apt to again fall in arrears.

We collect your delinquent accounts quicker and more effectively, and with less danger of leaving a sore spot on your dealer.

That's why more than four thousand leading manufacturers turn their debtor-dealers over to us regularly. Let us help you—write today for details.

UNITED MERCANTILE AGENCIES

United Building, Louisville, Ky.

Collectors for Manufacturers
and National Distributors



Some Recent Federal Trade Cases

SELLING and distributing methods ascribed to certain associations and dealers are made the bases of complaints recently issued by the Federal Trade Commission.

A WHOLESALE grocers' association of North Dakota, including its officers and its members, is named in a citation which outlines various methods alleged to have been used by the association and its members to apply a scheme of uniform standard price fixing and a plan of confining the distribution of groceries and allied products to what the association regards as "regular" and "legitimate" channels of trade from manufacturer to wholesaler, and from wholesaler to retailer.

Unfair methods of competition in the sale and distribution of coal are charged against a retail coal dealers' association with members in Illinois and Wisconsin. Member dealers, the commission explains, are qualified for membership under the definition of a retail coal dealer adopted and approved by the association.

According to that definition, the commission says, a retail coal dealer is any individual, firm or corporation regularly and continuously engaged in selling coal at retail and maintaining an office regularly open for business, and equipped with scales and adequate storage facilities to meet the public needs of the community in which it does business. A cooperative scheme of boycotting so-called "irregular" or "illegitimate" dealers is alleged by the commission, dealers of those classifications, it is said, being outside the association's definition of a retail coal dealer. To the commission's way of thinking, the association's acts constrain producers and wholesalers of coal to confine the distribution of coal in the association's regular channels and to prevent so-called "irregular dealers," cooperative associations and groups of purchasers from obtaining coal at wholesale or from any other source than from "regular" or "legitimate" retail coal dealers, thereby unduly obstructing and hindering free competition in the distribution and sale of coal in the association's territory.

A NEW YORK company engaged in the manufacture of lubricating oil has been cited by the commission in a complaint charging the fixing of prices in cooperation with wholesalers and retailers. The complaint alleges that the company to enforce its price-fixing plan uses the following means among others by which it and those cooperating with it undertake to prevent obtaining of the company's oil at less than the specified prices: That the company solicits and obtains from dealers reports of the names of other dealers who sell at less than the company's resale prices, and upon obtaining the reports urges offenders to cease selling below the set prices, and seeks to coerce the offenders into maintaining the resale prices by methods of intimidation and coercion; that the company charges and obtains from dealers in each class respectively who do not maintain the company's prices, higher prices for its oil than it charges and obtains from competing dealers in the same class who do maintain its prices.

PRACTICES involving charges of resale price maintenance are ordered discontinued in a prohibitory order issued against a New York manufacturer of toilet preparations. The order requires that the manufacturer cease from adopting and employing any cooperative methods whereby it undertakes to prevent others from obtaining the manufacturer's products at less than the prices designated by it. As outlined by the commission, some of the manufacturer's prohibited methods of applying price fixing are: obtaining from its customers or others, names of

dealers who do not observe the resale prices fixed by the manufacturer; enrolling the names of dealers so reported or who come to its attention otherwise, upon lists of undesirable purchasers, who are not to be supplied with its products until they give satisfactory assurances of their purpose to maintain such prices in the future; obtaining or attempting to obtain assurances from other dealers that they will observe the resale prices on the company's products as fixed by it; giving assurances to dealers that others who do not observe the company's fixed resale prices will be cut off from further supplies of the company's goods, and requesting cooperation and support in such a course of action; threatening to refuse to sell or refusing to sell to dealers who sell to others who do not observe the resale prices fixed by the company; attempting to establish and enforce its resale prices by any other equivalent cooperative means.

DISCRIMINATION in prices between different purchasers in violation of the Clayton Act is the basis of a complaint issued against an ice cream company of Schenectady, New York. The citation reflects the commission's belief that the company sells its ice cream to dealers in Pittsfield and North Adams, Massachusetts, at prices much less than those for which its product is sold in the eastern part of the state of New York, a noncompetitive area. The complaint alleges that the company lowers prices in Massachusetts, said by the commission to be usually below cost of production, for the purpose of suppressing competition and eventually forcing a competing corporation out of business.

THE USE of misleading designations in brand names of soap is the basis of a complaint issued against a soap company of Chicago. In marketing its products, the company is said to have used the following brands: "Cucumber Almond Cream Soap," "Sanitary Benzo-Skin Soap," "Primrose Glycerine Soap," "Rice Meal Toilet Soap," and "Dixie Peroxide Soap," as well as other brand names. All those designations, says the complaint, are misleading to the public and unfair to competitors because the indicated ingredients are not contained in the company's soaps in any appreciable quantity.

FALSE and misleading statements in advertising and selling oil stock again come under the commission's ban with the issuance of prohibitory orders to syndicate representatives operating in California, Missouri, and Texas. The orders prohibit the publication or circulation of any printed matter in connection with the sale or offering for sale of stock or securities in which is made any false or misleading statements concerning ownership in proven oil territory or misrepresentations concerning the organization, resources, production or earnings of any corporation, association or partnership.

UNFAIR methods of competition in the exploitation of silver-plated ware are charged against a New York dealer and a manufacturer at Taunton, Mass. According to the commission's citation, the dealer has stamped on silverware sold by him the words "Sheffield," "Sheffield Plate," and other similar designations including the word "Sheffield." He has also advertised in catalogs and other trade publications, the commission says, silver-plated ware listed as "Sheffield Plated." The complaint alleges that the silver-plated ware sold by the dealer is not manufactured in Sheffield, England, is not of the quality which is associated with the terms "Sheffield

Some subjects considered by cases and complaints described in this article are:

Coal
Hosiery
Ice Cream
Lubricating Oil
Oil Stocks
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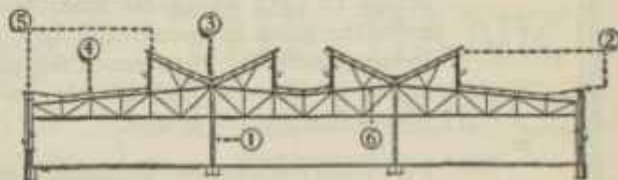
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5. No drip over, from monitor or roof, as all drainage is inside the building, where down-spouts can't freeze.
6. These buildings are from five to ten degrees cooler in summer by actual test on account of increased head room and better distribution of air currents.
7. Each truss is designed to carry five tons distributed load of monorails or shafting. Elevated toilets, locker rooms, heating pipes or ducts, may be carried on the trusses.
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PROVIDENCE	YOUNGSTOWN	WHEELING	ST. LOUIS	HOUSTON
PHILADELPHIA	AKRON	ERIE	KANSAS CITY	FORT WORTH
BALTIMORE	CANTON	CHICAGO	OMAHA	SAN ANTONIO
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	LOUISVILLE		SAN FRANCISCO	

FEDERAL TAX OFFICE, 910 TO 919 MURPHY BLDG., WASHINGTON, D. C.

Silver" and "Sheffield Plate," and is not of the quality in either appearance or durability that characterizes the original silverware and silver plated ware made by the silversmiths of Sheffield, England. The dealer's acts, the commission asserts, are misrepresentative and create an undue preference for his products, and are not fair to manufacturers who refrain from marking their products with such terms or designations. The manufacturing company is said to manufacture silver plated ware which it causes to be stamped with the word "Sheffield" or "Sheffield, Made in U. S. A.," and the commission believes that practice has the tendency and the effect to cause purchasers of the product to believe that the manufacturer's product is manufactured in Sheffield, England. The complaint charges that the use of the word "Sheffield" in connection with the advertisement and sale of silver plated ware induces the trade and the public to purchase the company's products in preference to competing products that are not so labelled or branded.

USE OF the word "shellac" in the advertisement and sale of a product not wholly composed of shellac gum is again censured by the commission with the issuance of an order against a New York manufacturer of paints, varnishes and similar products. In its investigation of the case, the commission reports, it found that many manufacturers in the paint industry who marketed a shellac substitute advertised and designated it as a substitute, but that the New York manufacturer named in the complaint advertised and sold a product composed of a small percentage of shellac gum or with no shellac gum whatever under the brand name of "Red Devil Shellac" and "Victory White Shellac." The labels did not indicate in any way, says the commission, that the products contained any gum other than genuine shellac gum, and the commission believes that the manufacturer's acts are misleading to the general purchasing public and unfair to competitors. According to the order, the manufacturer must discontinue the use of the words "Red Devil Shellac," "Victory White Shellac," or the word "shellac" alone or in combination with any word or words unless accompanied by words clearly stating the ingredients of which the product is composed, with the percentage of those ingredients also clearly indicated.

A PHILADELPHIA hosiery company has been ordered by the commission to discontinue the use of the word "silk" on labels or brands on its hosiery products unless the hosiery is made entirely of silk. The order further requires the company, when using the word "silk" in connection with a product made partly of silk, to use the words truthfully describing the other materials of which the hosiery is in part composed. The commission found, it says, that the company used the designations "Silk," "Special Silk," "Ladies' Plated Silk Hose," on hosiery sold by it, without disclosing the fact that the hosiery so branded was composed in part of other material not derived from the cocoon of the silk worm. Acts of that character, the commission believes, deceive the public and are unfair to competitors who advertise and brand their products accurately and truthfully.

DISCONTINUANCE of the advertisement or publication of circulars, catalogs and other advertising matter in which the claim is made that the word "Relief-Engraving" has been registered in the United States and Canada as the trade-mark of a Buffalo corporation is required by the commission in an order issued to the corporation. The corporation is also required to discontinue using the word "Relief-Engraving" or the word "Engraving" to describe stationery sold by it which has been printed from inked type faces or similar devices, and which has not taken impressions from engraved plates, and which has been given raised-letter effect by application of a chemical in powder form to the ink while still wet. When the commission's complaint was investigated, it says, it found that the corporation produced stationery which it advertised under the term "Relief-Engraving," which is made by print-

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The NATION'S BUSINESS
Washington, D. C.

ing from ordinary type faces and applying to the wet ink a chemical in powder form to give a raised-letter effect. This method, the commission explains, gave the printing the effect of what is known to the trade and general public as "Engraving" which is produced from engraved copper plates or steel dies. The use of the word "Engraving" as part of the legend "Relief-Engraving," the commission holds, is confusing and misleading and deceives the public into the belief that it is making a purchase of engraved stationery instead of the corporation's imitation engraving.

SIMULATION by a Cleveland business man of a former trade name used by him is made a basis of a complaint issued by the commission. He is engaged in selling lubricating oils and allied products, and according to the complaint, a business at one time operated by him was sold by a receiver to a manufacturing company. The sale is said to have included his property and assets under the trade names he had used, including good-will. After the sale of his business, the complaint continues, he organized a new company and sold under its name a lubricating oil known as "Paramount Auto Oil," which was identical with the title used for an oil sold by him in his former business. Other allegations are that the continued use of "Paramount Auto Oil" created the impression among the general public that it was the oil being sold by the company which had bought his earlier business, and that he abstracted a list of customers formerly used by him when operating the business sold to the manufacturing company. All of the acts presented in the complaint, the commission asserts, were misleading to the public and unfair to competitors.

MISREPRESENTATION of articles sold by a Cincinnati business man, which was held to obtain for him an unfair preference for his goods, has come under the ban of the commission. According to the findings, he operated branch stores in Indiana, West Virginia, and Ohio, and in connection with those stores, he is alleged to have advertised and sold merchandise as surplus army and navy property, when in fact, the commission declares, the goods so represented were not purchased from the army or the navy, and were not made in accordance with government specifications. The commission also found, it reports, that he advertised as "U. S. Marine Paint" and as "U. S. Quality Paint" a paint not manufactured for or by the United States Navy, nor in accordance with government specifications.

The commission has issued a prohibitory order which requires that the discontinuance of selling or offering for sale in places of business designated and described as "Army Goods Headquarters," "Army-Navy Stores," or "Army Goods Store" ordinary commercial merchandise or commodities as surplus army and navy supplies or government supplies, when, in truth and in fact, the merchandise or commodities were not purchased from or manufactured by or for the United States Government, or made in accordance with specifications or requirements of the United States Government; using on labels or as brands for paint manufactured, sold or offered for sale the words "U. S. Marine Paint, One Gallon U. S. Standard" unless the paint so designated was purchased from or manufactured by or for the United States Government or prepared in accordance with specifications or requirements laid down by the United States Government.

CHARGES of combining and conspiring to obstruct and to prevent the sale and the distribution of oleomargarine in the state of Wisconsin, and particularly in Polk County, are included in a complaint issued against a cooperative creamery association operating in Wisconsin. The complaint charges that at a special meeting members of the association passed a resolution to "urge all our citizens to use their best influence to eliminate butter substitutes from Polk County," and that the members' acts are to the prejudice of the public and to competitors, and constitute unfair methods of competition.

30 Billion Dollars A Year

This is the volume of commercial banking business transacted annually by customers through The Bank of America. Such figures aptly illustrate the extent to which business men use the nation-wide and international facilities provided for them here.

These facilities are supplemented by resources ample for the needs of sound business and by the personal cooperation of our officers in meeting the individual requirements of customers.

We should like the opportunity to tell you just how our services would be helpful to you, and to that end we cordially invite your inquiries.



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QUALITY RELAYING RAILS SERVICE

30% to 50%

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Shipped subject to inspection and approval at destination.

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WAREHOUSES:
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The new.
S. S. "TUSCANIA"
of the CUNARD and
ANCHOR LINES sails from New
York February 16th, arriving in
Egypt at the height of the season
and offering a travel oppor-
tunity rare, fascinating, and full
of appeal:

A SUPREME panorama en route; ports
of call include Madeira, Gibraltar,
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Haifa, Alexandria, etc.

A NEW steamer, unsurpassed in con-
struction, equipped with every
modern feature for passenger comfort;
an oil-burner—eliminating coaling at
the various ports. The traditional
world-renowned Cunard service and
cuisine. Optional shore excursions,
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Full information on request. Apply promptly.

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Bureau of Canadian Information

The Canadian Pacific Railway, through its
Bureau of Canadian Information, will fur-
nish you with the latest reliable information
on every phase of industrial and agricultural
development in Canada. In the Reference
Libraries, maintained at Chicago, New York
and Montreal, are complete data on natural
resources, climate, labor, transportation,
business openings, etc., in Canada. Addi-
tional data is constantly being added.

Development Branch

If you are considering the establishment of
your industry in Canada, either to develop
your Canadian business or export trade,
you are invited to consult this Branch. An
expert staff is maintained to acquire and
investigate information relative to Cana-
dian industrial raw materials. Information
as to such raw materials, as well as upon any
practical problem affecting the establish-
ment of your industry, including markets,
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New York Chicago

News of Organized Business

ELIMINATION of wasteful practices and
prevention of trade disputes between buyers
and sellers will be undertaken by a joint com-
mittee on trade relations representing a consid-
erable number of national trade organizations.
The committee will direct its consideration
through a clearing house, to which misunder-
standings will be referred. A constitution and
by-laws have been adopted, and sufficient money
has been pledged to finance the committee's
work for two years.

The establishment of the joint committee is
the result of a campaign begun by Jesse I. Straus,
of R. H. Macy & Company, New York. A
temporary joint committee on trade relations,
under the chairmanship of A. Lincoln Filene,
of William Filene's Sons Company, Boston, gave
form and direction to the preliminary steps to-
ward establishment of the clearing house plan.
The considerations that gave impetus to this
cooperative movement were discussed by George
B. Johnson, president of the National Retail
Dry Goods Association, in an article on "Get-
ting Buyer and Seller Together," which was
printed in the October number of THE NATION'S
BUSINESS.

The object of the joint committee, as stated
in its constitution, is that

in order to eliminate waste for the benefit of
the consumer, it shall be the object of the
joint committee on trade relations to collect
and disseminate information concerning trade
relations between buyer and seller for the
purpose of eliminating friction and trade dis-
putes; to promote better trade ethics, more
economical practices, and more sympathetic
and harmonious relations. It shall arrange
for arbitration of claims when so requested by
both parties to a controversy. The joint com-
mittee on trade relations shall confine its ac-
tivities to the problems of its members and
no information shall be disseminated except to
members. The joint committee on trade rela-
tions shall be a fact-gathering and fact-report-
ing agency.

Among the national trade organizations which
have pledged their influence and their financial
support in behalf of the joint committee's work
are: National Retail Dry Goods Association,
Fine Stationery Manufacturers' Association, Na-
tional Wholesale Men's Furnishing Association,
Corset Manufacturers' Association, National
Cloak, Suit and Skirt Manufacturers' Associa-
tion, Associated Knit Underwear Manufacturers
of America, National Knitted Outerwear Associa-
tion, Merchants' Ladies Garment Association,
United Women's Wear League of America, Asso-
ciated Dress Industries of America, Retail Mil-
linery Association of America, Eastern Millinery
Association, Silk Association of America, Na-
tional Baggage Manufacturers' Association, and
the American National Retail Jewelers' Associa-
tion.

Resolutions on Junior Chambers

BY RESOLUTIONS of its board of directors,
the Chamber of Commerce of the United
States "welcomes the organization of a local
junior chamber of commerce under properly safe-
guarded rules for affiliation with such local sen-
ior chamber of commerce." The resolutions were
adopted after a conference in Washington between
representatives of the Chamber of Commerce of
the United States and of the national Junior
Chamber of Commerce to consider a controlling
policy with regard to junior chambers of com-
merce, and also the possibilities of affiliation be-
tween the two national organizations. At the di-
rectors' meeting:

It was voted that the Chamber of Commerce
of the United States welcomes the organization
of a local junior chamber of commerce where
and when approved by the local senior chamber
of commerce under properly safeguarded rules
for affiliation with such local senior chamber of
commerce; that the Board favors the affiliation

of the national organization of junior chambers
of commerce with the Chamber of Commerce
of the United States under proper conditions
as to avoidance of conflict of activities, and
requests that the civic development department
committee report upon a definite plan provid-
ing for such affiliation; that the existence of
junior chambers of commerce now sponsored
by and properly related to the senior cham-
bers in the same communities, warrants the as-
sistance of one of the departments of the
Chamber of Commerce of the United States to
these senior chambers in the development of
the program and policies of these junior cham-
bers; and that the civic development depart-
ment committee be requested to work in cordial
cooperation with the national organization
of the junior chambers and that the president
be authorized to appoint two additional mem-
bers chosen by the junior chambers as members
of the department committee.

Bulletins on the Hotel Business

THE research bureau staff of the American
Hotel Association has prepared a bulletin on
hotel soaps and cleaning compounds, including
standard specifications for the guidance of pur-
chasers. The bulletin was prepared, the bureau
explains, to present to the hotels of the United
States and Canada specifications for soaps by
way of protecting both the consumer and the
honest producer.

The specifications are the result of a very
careful study by the United States Bureau of
Standards, and have been reviewed by the re-
search business advisory committee on materi-
als. Announcement is made that experiments
will be continued, hotel soaps from various parts
of the country will be analyzed, and subsequent
findings will be published together with any re-
vision of the specifications held necessary by the
Bureau of Standards.

Copies of the bulletin are now ready for dis-
tribution. Any hotel manager may obtain a
copy on application to the American Hotel
Association Research Bureau, Auditorium Tower,
Chicago.

Other bulletins now available are:

The Standardization of Hotel China; Notes
on Hotel Front Office Management; Standards
of Beds, Springs and Mattresses; Standardization
of Containers; Vocational Education in the
Hotel Business.

Digest of Foreign Trade Terms

THE INTERNATIONAL Chamber of Com-
merce has issued a digest of trade terms, desig-
nated as Digest Number 43 and printed in French
and in English. The digest is a consummation of
the chamber's purpose to publish a clear state-
ment of the recognized interpretation of terms
and abbreviations used in the principal commer-
cial countries. A considerable confusion has
resulted from the different meanings assigned
to trade terms. To illustrate with one term:
American business men had been scolded fre-
quently by their connections and customers
overseas upon the exact meaning of "F. O. B."
The American interpretation of "F. O. B." corre-
sponded to the British term "F. O. R." (free
on rail), and "F. O. T." (free on truck). The
Britisher also used the term "F. O. B." but had
in mind the obligations assumed by the Amer-
ican term "F. O. B. vessel," and this seemingly
small conflict in meaning between the American
and British interpretations was the cause of
many disputes in international trade.

An earlier digest of American foreign trade
definitions had helped to establish a similarity
of understanding among Americans engaged in
foreign trade. That digest was prepared in De-
cember, 1919, by the National Foreign Trade
Council, in collaboration with the Chamber of
Commerce of the United States and other Amer-
ican commercial organizations. When the Inter-
national Chamber undertook preparation of its
digest, a committee was named to make a survey



These Engineers Find Fordized Haulage Most Economical

The R. L. Steed Eng. Co., erecting engineers, specializing in the installation and overhauling of power plants in Detroit, use Ford Trucks and Fordson Tractors exclusively for hauling heavy machinery and supplies.

A Ford One-Ton Truck with a big semi-trailer having a 30-ton axle and wheel capacity is used for heavy duty work. Loads ranging from 5 to 22½ tons are carried at an average cost per ton-mile of less than 33 cents. This exceptionally low cost enables this company to give customers a much lower hourly rate than the prevailing charge for larger trucks. This truck

and trailer are shown above with a 9-ton planer, a typical load.

This company is completely Fordized. Superintendents and foremen use a Ford Sedan for rapid transit from one job to another; a fast Ford Model T "pick-up" saves much time delivering tools and supplies; a fleet of three Ford one-ton trucks, equipped with sturdy trailers, and a Fordson Tractor comprise their heavy haulage equipment.

Eight years of satisfactory experience in the use of these dependable units has proved to this company that to Fordize is to economize.

See Authorized Ford Dealers for further facts about this and other examples of Ford Operations

Ford

CARS · TRUCKS · TRACTORS

BLOXONEND

Lays Smooth FLOORING Stays Smooth

NATIONAL LAMP WORKS

BY GENERAL ELECTRIC CO.
MILWAUKEE, WISCONSIN
REALTY DEPARTMENT

July 19, 1923.

Carter Bloxonend Flooring Co.,
Cleveland, Ohio.

Gentlemen:

We have used your Bloxonend flooring in the construction of our buildings, especially in our glass works and machine shops. In the class of buildings referred to, we regard it most essential that we have a flooring that will stand a great deal of heavy wear.

[Now we must say that we have not discovered anything so far which equals your Bloxonend flooring.]

Yours very truly,

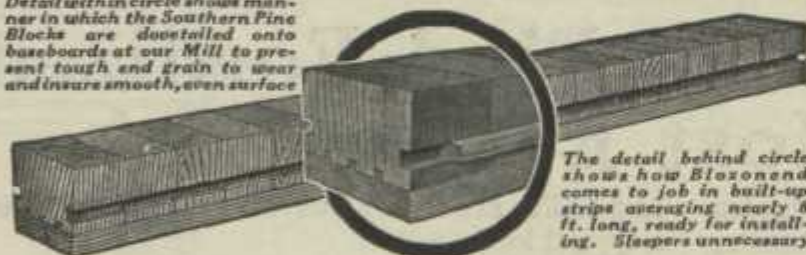
NATIONAL LAMP WORKS OF
GENERAL ELECTRIC COMPANY

[Signature]
Manager, Realty Department.

KL:W

Note: Five plants of the National Lamp Works have been floored with Bloxonend.

Detail within circle shows manner in which the Southern Pine Blocks are dovetailed onto baseboards at our Mill to present tough and grain to wear and insure smooth, even surface



The detail behind circle shows how Bloxonend comes to job in built-up strips averaging nearly 8 ft. long, ready for installing. Sleepers unnecessary

Write our nearest office today for Descriptive Booklet "M"

Carter Bloxonend Flooring Co.

Kansas City, Missouri

New York: 501 Fifth Avenue Chicago: 332 So. Michigan San Francisco: 1007 Hobart Bldg.
Boston: 910 Broad Exchange Cleveland: 1900 Euclid Ave. Portland: Cham. of Com. Bldg.

Who are our 135,000 Subscribers? They are executives in 79,208 Corporations*

In these corporations the magazine is being read by the following major executives

Presidents.....	33,902
Vice-Presidents.....	15,286
Secretaries.....	14,817
Treasurers.....	7,184
Partners and Proprietors.....	8,261
Directors, Chairmen of Boards, Comptrollers, General Counsel, Superintendents and Engineers.....	5,792
General Managers.....	10,687
Department Managers (Branch—Purchasing—Sales —Export, Etc.).....	8,766
Major Executives.....	104,695
Other Executives.....	10,552
Total Executives.....	115,247
All other Subscriptions.....	19,668

If this audience represents a market for your products, we shall be glad to give you complete advertising details

The NATION'S BUSINESS
Washington, D. C.

*Figures based on a complete investigation of all subscribers in twelve cities

When writing to CARTER BLOXONEND FLOORING CO., please mention the Nation's Business

of the American definitions contained in the earlier digest. The committee included C. D. Young, resident attorney of the American Trading Company; C. D. Snow, manager of the foreign commerce department, Chamber of Commerce of the United States; and E. A. LeRoy, Jr., National Foreign Trade Council.

Many matters of sales law had been purposely left out of consideration by the 1919 conference that adopted the American foreign trade definitions. The International Chamber presented many questions related to sales law for the consideration of its members, and the elaboration of the American definitions in the new digest includes references to the law of sales in the United States, as given in the sales act, legal texts, and accepted trade opinion as codified by the committee.

The International Chamber has distributed copies of the digest to its organization members and to its associate members. Non-members may obtain copies through the Secretary, American Section, International Chamber of Commerce, Washington, D. C., at 75 cents a copy.

Frisco's High Lights in Booklet

HIGH lights of San Francisco's social and business life are presented in "Fascinating San Francisco," an illustrated booklet published by the Chamber of Commerce. The booklet includes sixty pages of text printed from 12-point Garamont type on Milan paper, and pen-and-ink illustrations reproduced on tint blocks. A miniature poster on the cover shows flying gulls against a background used as a color motif to suggest the Golden Gate. The title page of the booklet and the chapter headings are hand-lettered to correspond with the tint blocks.

The chapter headings indicate the scope of the booklet. They are: Inside the Gate; Sea Glamor; Historic Background; Survivals of the Past; Cafes and Bright Lights; Hotels; Shops; Chinatown and Foreign Colonies; Hills and Vistas; Parks and Open Spaces; Music and Drama; Universities; Cliffs and Beaches; Clubs; Homes and Gardens.

The first edition of 100,000 copies was used by San Francisco firms for Christmas and New Year greetings. A second edition of 100,000 is to be printed for national distribution through Californians, Incorporated, and railroads companies.

Queens Borough on the Map

QUEENS BOROUGH is on the map, and the chamber there wishes to impress the fact on other communities. To that purpose a special map of the borough was prepared, and four hundred copies were mailed to chambers throughout the United States. The cities represented by the selected chambers have a combined population of more than 28,000,000. A letter was sent with the map. The letter reads in part:

Almost everyone thinks that Manhattan—with its skyscraper office buildings, its many theaters, and its huge hotels and thousands of apartment houses—is all there is to New York City. To help correct any such wrong impression that may exist among the members of your organization, we ask you to accept, with our compliments, the enclosed map of the Borough of Queens, printed in six colors, which has been especially prepared for us by Rand, McNally & Company.

You may desire to give this a prominent place on the walls of your office, for it also includes all of the Borough of Manhattan and large portions of the Boroughs of Brooklyn and the Bronx.

Warns Against "Blue Sky" Sales

COOPERATING with the Pennsylvania State Banking Department in enforcing the "blue sky" law, the Stock Investigation Department of the Harrisburg Chamber has issued a warning to "investigate before you invest." The warning reads:

Ask the stock salesman to present his cer-

titulate of registration with the State Banking Department. If he does not have it he is operating illegally.

If he has a certificate, it is not a recommendation. It is merely a right to sell. You must still ascertain the specific nature of his offering and investigate before you invest.

When you are approached to buy any unlisted security originating outside of Harrisburg, get the whole story. Reports received from reliable sources will be shown you free of any expense by the Stock Investigation Department, Harrisburg Chamber of Commerce.

All land is not a good buy for all people. Don't let the salesman of lots far away paint a vivid picture of high returns. The Chamber will procure you an accurate estimate upon request.

Complaints Against "Suit Clubs"

THE PRACTICE of selling suits by chance through so-called "suit clubs" is not in favor with the National Association of Retail Clothiers and Furnishers. Representatives of the Association say that \$20,000,000 a year is a conservative estimate of the money spent in suit clubs throughout the country to "win" \$2,000,000 worth of clothing. Of the operations of the clubs, Charles E. Wry, executive director of the association, said:

For months suit club victims have been coming to our office daily, each with the same story of high-pressure salesmen making all sorts of extravagant promises and the suit clubs they represent repudiating everything the salesmen said.

He named New York; Philadelphia; Boston; Charleston, West Virginia; Grand Rapids, Michigan; Geneva, New York; Alliance, Ohio; Baltimore; Washington; and Springfield, Massachusetts, as cities from which "victims report many suit club operators, and that they are not able to recover their money or secure full value for their payments."

St. Louis to Honor Old Firms

A BANQUET for St. Louis firms in business fifty years or more was planned by the chamber as a testimonial of honor. More than two hundred firms were found to be eligible for the honor. The history of each of the firms was to be included in a book which would commemorate the half-century of business life.

Of the chamber's interest, W. Palmer Clarkson, president of the chamber, said:

There is no greater proof of the durability of business in St. Louis. The firms in the list represent almost every line of business and show, impressively, the versatility of St. Louis as a manufacturing and distributing center. The Chamber of Commerce feels highly grateful at the opportunity of honoring these firms and we only hope that those who are looking for a city in which to locate their business, with progress guaranteed—other things being equal—will observe the manner in which our oldest firms have prospered through their years of honorable endeavor.

Detroit Has District Secretaries

MEMBERSHIPS in chambers of commerce sometimes lapse because the members do not get a chance to participate in organization activities. As one man put it:

Business has been so good the last year that I have not been able to get to your building.

To sustain interests and to hold memberships is a problem. A possible solution has been sponsored by the Detroit Board of Commerce. Of the board's plan, the *Detroit* says:

The only thing that remains for a commercial organization of this kind to do is to take the Board of Commerce to the member. Therefore at a special meeting of your Board of Directors . . . it was decided that the city of Detroit would be divided up into districts and a number of district secretaries of the



HURRY!

In An Emergency Like This, Can You Save *Everything* You Really Need to Start Business Again After the Fire? What Would You Leave Out?

Here are four points of great importance: *First*, Van Dorn "A" Label Safes give real protection where the fire hazard is above the average; they should be used for the vital records of the business. *Second*, Van Dorn "B" Label Safes should be used for vital records where the building construction is such that a fire would not continue for an excessively long time. *Third*, Van Dorn Commercial Safes protect sufficiently under ordinary circumstances, and should be used profusely for card records, lists, drawings, documents and all those thousand and one items that would be a real loss if fire should destroy them. *Fourth*, in all probability you have *much less* safe-protection than you will wish you had, should a fire actually occur! See the Van Dorn dealer today.

THE VAN DORN IRON WORKS COMPANY

Mastercraftsmanship-in-Steel

CLEVELAND

Branches: Cleveland New York Chicago Philadelphia Washington Pittsburgh

Van Dorn

MASTER-CRAFTSMANSHIP IN STEEL

When writing to THE VAN DORN IRON WORKS COMPANY please mention the Nation's Business

The most successful

Bankers, Business Men and Investors use BABSON'S REPORTS as an aid in anticipating changes in general business, commodity prices, money rates, and security values.



Ask for BABSON REPORT—B-41—gratis.

THE BABSON STATISTICAL ORGANIZATION
BABSON PARK, MASSACHUSETTS

THE LARGEST ORGANIZATION OF ITS CHARACTER IN THE WORLD

NOTE: Tear this out and send it to a business friend

To the United States Chamber of Commerce,
Washington, D. C.

Send me the NATION'S BUSINESS, your official monthly publication, beginning with the FEBRUARY number. Bill me later for \$7.50 for the three year term-subscription (OR: I enclose remittance with this coupon.)

NAME.....

ADDRESS.....

CITY AND STATE.....

Board of Commerce should be appointed. Very soon you will receive notice of the development of such a plan. Instead of one secretary with 7,000 members to call upon, you will have an additional ten district secretaries, each with 700 members to call upon.

Those men will take the Board of Commerce to your desk and show you what a real Board of Commerce is. They will invite your suggestion, opinions and complaints. They will show you exactly what is being done for you by the staff of this organization whether or not you ever have set foot in the building.

Whether you are a retailer, wholesaler, a professional man or manufacturer, you are getting more than your money's worth for the \$35.00 that you pay annually into Board of Commerce coffers. Very soon you will sit down in your office beside a district secretary who will tell you exactly how your money is being spent—and just how you are getting results.

New Group for Silk Association

THE SALES directors of the broad silk division of the Silk Association of America, who have previously served as a part of that division, have organized as a distinct group within the association, and plan to undertake a definite program of activity. The new organization has been approved by the executive committee of the association.

The objects of the group are: the prevention of trade abuses, encouragement of the use of a uniform contract, the establishment of uniform terms, and the education of the trade regarding technical facts affecting sales. W. B. Yelland, of the Carl Schoen Silk Corporation, is chairman of the group.

Free Industrial Advisory Service

AN INDUSTRIAL advisory service to members is offered by the Boston Chamber. The service is administered by a special committee of factory executives and specialists.

No charge is made for the committee's counsel. The service includes consultation on: production cost and material control methods; forms of organization; incentive payments; mechanisms and forms of management; regulating materials and control of inventories; cost collection methods; methods of standardization; classification and symbolization; and methods of time study.

The service is not intended to displace professional industrial advisers.

Van Wert Offers Legal Aid

THE Community Clearing House of Van Wert, Ohio, offers legal aid to citizens who are unable to employ counsel with their own means. The service is directed by a committee. A pamphlet, "Shall I Make My Will?" has been published by the committee. The pamphlet suggests that persons who have not made their will should consult their bankers or members of the committee.

Coming Business Conventions

Date	City	Organization
Feb. 1....	National Sand and Gravel Producers Association.
4-7.....	Reading.....	National Association of Builders' Exchanges.
5-6.....	Minneapolis...	Northwestern Association Mutual Insurance Companies.
5-8.....	New York...	National Retail Dry Goods Association.
6.....	New York...	Textile Color Card Association of the United States, Inc.
11-14.....	Chicago.....	National Shoe Retailers Association.
18-23.....	Los Angeles...	Western Retail Lumbermen's Association.
19.....	New York...	Corset Manufacturers Association of the United States.
20-21.....	American Cotton Association.
20-22.....	Boston.....	New England Hardware Dealers Association.
25-28.....	Chicago.....	American Concrete Institute.
26.....	Boston.....	New England Yellow Pine Dealers' Association.



ALWAYS when I sit down to write these little paragraphs it takes me ten or fifteen minutes to make up my mind which to write first. Then I waste time on each additional paragraph deciding whether to write it or leave it out and use something else. I once believed I must be exceptionally given to needless dilly-dallying, but I learn that *everybody*, regardless of occupation, wastes time on decisions. Frank B. Gilbreth's motion picture studies show that the difference between a rapid and a slow worker, even at so routine a job as berry-picking, depends largely on the ability to decide quickly. Every moment of hesitation in determining whether a certain berry is too shriveled up or too overripe to be worth picking delays getting berries into the pail. Hence Gilbreth found it wise to pick *every* berry within reach, good and bad, and sort them afterward. On this basis an ordinary worker can accomplish twice as much as if he pauses, no matter how briefly, to consider the merit of each berry before he plucks it. Similar studies show that a typist can save time by deciding once for all to use invariably the same thumb to operate the space bar. There is scarcely any occupation but can be speeded up by making decisions wholesale instead of piecemeal. I've been thinking this over and have decided to experiment at my own job. From now on I shall write the first thing that pops into my head. If these paragraphs are less interesting than usual, that's the reason.

A RECENT scientific investigation of the return coupon in magazine and circular advertising showed that the space allowed for writing one's name and address on the coupon is usually too small. The report of the investigation says: "Adults have their writing habits firmly established, so much so that writing a signature or an address is quite automatic. Interference with the smooth flow of the automatic responses, when once begun, arouses resistance and an unpleasant feeling-tone. Now, it is just this unpleasant feeling-tone which the advertiser tries in so many other ways to avoid—e.g., by the use of beautiful illustrations, beautiful color combinations, graceful border treatments, appropriate type faces, etc. The coupon, if it is to be relied upon or used at all, should certainly not be permitted to defeat its own purpose or the purpose of the whole advertisement by allotting too little space to it."

MOST people imagine that the chief loss to a big store which freely extends credit to its customers is from bad debts. The truth is that losses from customers' failure to pay their debts are comparatively trifling—a fraction of one per cent of the total. Operating on a credit basis is expensive because of the increased cost of doing business. Suppose a



How a New York Bank Can Serve You

SUPPLEMENTING local banking connections, a New York bank, having facilities such as those possessed by this Company, affords a wide range of valuable services to business houses throughout the country.

Many manufacturers and merchants maintain New York checking accounts with this Company, enabling them to make settlements direct with New York funds. Interest is paid on balances.

Many business concerns also use our banking facilities in the financing of both their domestic and foreign business. We make commercial loans on both credit and collateral, and issue letters of credit for export and import financing, in harmony with sound banking practice.

In collecting bill-of-lading drafts drawn on New York and vicinity we render an exceptional service, frequently saving the shipper time and money.

Our custody service is valuable to companies and individuals desiring to have securities held in safekeeping in New York and at all times available for sale or delivery, upon written or telegraphic instructions. This service includes prompt collection of bond interest and matured principal, and we endeavor to bring important developments affecting the securities to the owner's attention.

We shall be glad to send executives our 100-page booklet, "Guaranty Service," which describes all of our services in detail.

Guaranty Trust Company of New York

MAIN OFFICE: 140 BROADWAY, NEW YORK

LONDON PARIS BRUSSELS LIVERPOOL HAVRE ANTWERP



—The Pulse of Industry

KEEPING a step ahead in modern electrical development, St. Louis now has a super-power system for factories in its great industrial district. A new \$35,000,000 electric plant is connected with another giant generating plant by cables crossing on the bed of the Mississippi River. Both are linked with a hydro-electric system from Keokuk Dam, jointly supplying current in large blocks at low cost.

The electrical energy flowing from these interconnected generating stations is sufficient to serve abundant cheap power to industries today, and to take care of the industrial growth for years to come.

Cheap Power and Fuel

Cheap power, fuel and water in virtually unlimited quantities are available for St. Louis industries. One-twentieth of all of the coal mined in the world is mined within 100 miles of St. Louis.

Coupled with these advantages, St. Louis plants reach the great raw material sources with a short haul. The facilities for economical manufacture, together with excellent transportation service, enable St. Louis concerns to reach all markets on a competitive basis.

By locating your plant in St. Louis you would settle your power needs for all time, and would also solve that vital industrial problem—the long haul. St. Louis manufacturers **ship from the center—not the rim.**

Investigate conditions in St. Louis. Our facilities are at your service. Send for our free booklet, "Industrial St. Louis."

ST. LOUIS CHAMBER OF COMMERCE

St. Louis, U.S.A.

customer comes in to look at a certain type of dining room table. It is out on approval, but is later returned. The customer who had it didn't want it, and the one who might buy it can't see it. This makes it necessary to have more tables in stock. Furthermore, customers buy much less carefully when they don't expect to pay for 30 or 60 days. They are more likely to have things sent home on approval. Every time an article is sent out and returned there is bound to be a certain amount of wear and tear. If a table is delivered often enough it becomes so damaged that it is well nigh worthless.

"YOU CAN'T treat all men in the same way when they come to you with a bright suggestion," says an employer. "One type of man you must thank several times and possibly reward him for his thoughtfulness. He goes away delighted and tries to think up more good ideas. Another type would feel contempt for me if he told me something I didn't already know. I'm obliged to tell him that I have already been thinking of the very thing he suggests."

CROWDED conditions in New York City have greatly helped the goldfish business, a dealer in pets informs me. Dogs and cats cannot well be kept in a small apartment. Even a canary bird with its merry twittering is often a nuisance when one has only one or two rooms. A goldfish, though, seldom makes much noise or disturbance and may be crowded into even a tiny little \$200-a-month apartment.

A NATIONALLY known advertisement writer fell to chatting with a Pullman smoker acquaintance.

"So you're in the advertising business?" said the stranger. "I was in that for a while myself, but I didn't like it. The work was too hard on windy days."

The other man wondered what he meant by this. Later in the conversation it came out that the other fellow had once been a sandwich man, walking about the streets between two sign boards.

A MIDDLE WESTERN banker declares that few business enterprises are uniformly well organized in all departments. The reason for this, he thinks, is that a business ordinarily can prosper if it is only a little better conducted than that of its competitors. Where a real expert is in charge of sales, the business may get along with an inferior factory management. Or, reversing the process, an economically managed factory might worry along with second-rate salesmen.

MR. H. MURAWSKY, whose firm deals in blankets and automobile robes at 77 Chambers Street, New York, writes me lamenting present-day difficulties of retail credit men. He says:

"In the old days, a greasy-bearded, seedy-looking individual, of shady character, could be sized up promptly and efficiently. But the white collar brigade of today, intent upon exhibiting to gaping neighbors the newest model of 1926 Rolls Royce or flivver, know the value of following the elder John P. Morgan's advice about wearing a silk hat, to make the impression. In addition, they have absorbed, from books containing credit men's musings, all the facts the latter use to determine the credit worth of an applicant, and profit accordingly by frequent bankruptcies. The worthy credit applicant of today, and the future, will find himself up against the credit man's suspicions to an ever-increasing extent

because of the perfection the crooks are reaching. But that will not decrease the business failures, because there are just as many suckers born in the credit-men's class as there are wise newcomers in the dead-beat class."

A CERTAIN manufacturer went to his bank and obtained a loan of \$5,000 which he immediately deposited in another bank and has not made the slightest use of it. On the day that his note comes due, he will pay it. Then in a few months, he may do the same thing over again—borrow money that he doesn't need. He calls these his practice loans. "During prosperous times," he says, "it's easy to borrow money, and I like to carry on a little educational campaign with my bank to show them I'm prompt about meeting obligations and to get them into the habit of letting me have money when I want it. Then when dull times come, and I have to borrow money, I can get it."

IN MY native town was a bicycle repairman named Charlie Rooney who had an employe that he held in low esteem. The fellow could do only what he was told, and lacked initiative. Rooney had a homely way of reminding him of this. Many times each day he said to him: "Dammytall, you couldn't suck alum without a recipe!"

"WE CAN no longer afford much daylight in our place," the head of a big department store tells me; "electricity is far cheaper than sunlight." I had been brought up to believe that air and sunlight are among the few things that are comparatively inexpensive. But he explained that to have sunlight one must have space, and downtown city space about a big store building has become so costly as to be well nigh prohibitive. Electric light, on the other hand, is fairly cheap.

HUMAN beings have many traits in common with ordinary moths. We are always attracted by lights. Many merchants found during the coalless days of 1917, when lights were turned off in their show windows, that business dropped. The moment the windows were relighted trade improved. Everything else being equal, a store with a well-lighted show window will do more business than its neighbor with a window poorly lighted.

A LITTLE sales girl in a department store was caught stealing. The superintendent confronted her with the evidence and asked her to sign a confession. After she had done so, he sealed the confession in an envelope and put his own name on it. "This goes into a strong-box," he said, "and nobody but you and I will ever know about it—provided you do what I ask. First, I want your promise never to do it again and then I want to know just why you thought you must have more money." She told her story. There was sickness at home, and her need for money was not because of mere craving for luxuries. The superintendent sent her invalid sister to a hospital at the store's expense. That was nine years ago, and the little sales girl is today not only one of the store's valuable employes but one of the most loyal. The little envelope has long ago been burned.

THE THREE great essentials of successful business, I recently heard a successful manufacturer say, are knowing how to find facts; how to know facts; and how to use facts.

HEADQUARTERS for Mechanical Rubber Goods!



1828-1923

Once the wise buyer of belting becomes convinced that rubber belting is better value than leather, he comes to rubber belting headquarters—the Boston Belting Co. He knows that our experience of a century in the manufacture of mechanical rubber goods will guide his purchase into the right channels. He knows that he will get value and economy—and satisfaction backed by a name that is his guarantee of all these.

The same assurance of value goes with all other Boston Belting products—rubber rolls, rubber hose, spiral packing, and corrugated matting, the leading products of these specialists in the manufacture of commercial rubber goods. Quality materials—expert knowledge, based on practical experience—and the craftsmanship of the men who produce the work—make Boston Belting Company products supreme.

A sales engineering department makes this mechanical rubber goods service complete. When your next problem arises communicate with the Boston Belting Sales Company. Experts will make recommendations based on real knowledge. You will benefit accordingly.

BOSTON BELTING CO.

"A Good Name to Maintain"

GENERAL OFFICES ~ 214 DEVONSHIRE ST., BOSTON.

BOSTON BELTING SALES CO.

DISTRIBUTORS

222 DEVONSHIRE ST., BOSTON ~ 1524 SO. WESTERN AVE., CHICAGO.



RUBBER BELTING

RUBBER ROLLS

HOSE

SPIRAL PACKING

CORRUGATED MATTING

When writing to BOSTON BELTING COMPANY please mention the Nation's Business

Street Cars Build Homes



Transportation Brings Transformation

Thousands of American communities date their real growth and expansion from the day when the electric railway joined suburb to business.

AWAY from the dust and heat and congestion—*street cars* build homes! Even those who can and do afford automobiles, build their homes near the car line.

Adequate, progressive economical street car service is the thing your community *must* have for social and industrial growth.

Your street railway company may need *your* help, and that of all your neighbors, before it will be possible for you to have the transportation your community needs. It is to your interest to see that taxation, paving costs and other burdens are not

so inequitable as to prevent such progress.

If you encourage efficient management, and help provide the right incentive, then the right kind of service, at the right cost, will be available for every one to build homes in desirable places.

Westinghouse engineers have developed the apparatus that makes street railway operation possible and are constantly perfecting apparatus to make such operation more economical, reliable and safe—all of which has real significance, because after all, street cars do build homes.

WESTINGHOUSE ELECTRIC & MANUFACTURING COMPANY
Offices in all Principal Cities • Representatives Everywhere

Westinghouse

© 1924 W. E. & M. Co.

When writing to WESTINGHOUSE Elec. & Mfg. Co., please mention the Nation's Business



“Look at this window!”

THAT'S what good lighting shouted to the people walking by Miller & Peck's department store on South Main Street, Waterbury, Conn.

Before the new window lighting was installed, a careful check showed that 1.5 out of 10 passersby stopped to look in this window. After our Lighting Service Department had installed a scientific window-lighting system, another check was made.

And 4.5 of each ten stopped!

Good lighting will not close sales; that depends on the goods and the salesperson. But many tests, just like the above, in towns and cities of every size, have proved that good lighting will get prospects into the store immediately.

In this case, our Lighting Service Department asked Miller & Peck to put in the test window the slowest moving stock in their store. They put in a stock on which they had not been able to get even an inquiry.

The next day 24 people came in and asked for articles displayed in the newly-lighted test window!

And yet a country-wide investigation shows that 7 out of every 10 retail stores are not properly lighted. Good lighting is the cheapest sales-stimulator you can buy; it will pay for itself many times over.

Our Lighting Service Department is at *your* service to show how to increase store sales, factory production, or office efficiency. Just write to the Edison Lamp Works of General Electric Co., Harrison, N. J.



EDISON MAZDA LAMPS



A GENERAL ELECTRIC PRODUCT

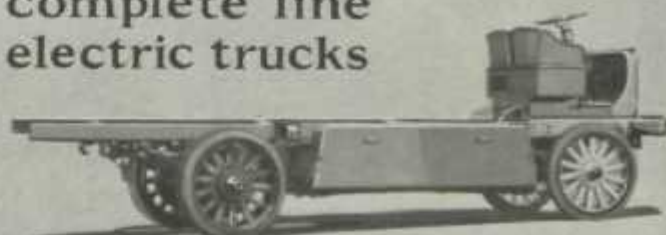
When writing to Edison Lamp Works of General Electric Co., please mention the Nation's Business

The 1924 Autocar Line

The only complete line
of gas and electric trucks



2 to 3 ton gas Autocar
114" wheelbase
Chassis price, \$3459



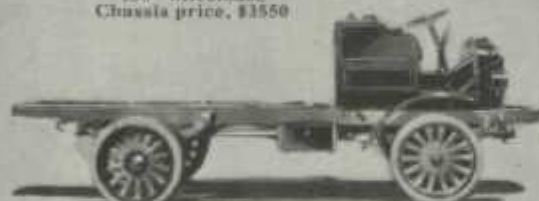
5 ton Autocar Electric
138" wheelbase
Chassis price (without battery), \$4300



2 to 3 ton gas Autocar
138" wheelbase
Chassis price, \$3550



3 ton Autocar Electric
128" wheelbase
Chassis price (without battery), \$3200



4 to 6 ton gas Autocar
120" wheelbase
Chassis price, \$4650



2 ton Autocar Electric
120" wheelbase
Chassis price (without battery), \$2800



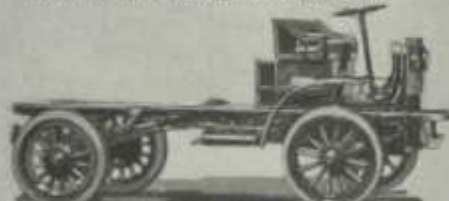
4 to 6 ton gas Autocar
156" wheelbase
Chassis price, \$4800



1 ton Autocar Electric
107" wheelbase
Chassis price (without battery), \$2400



4 to 6 ton gas Autocar
192" wheelbase
Chassis price, \$5200



1 1/2-2 ton gas Autocar
97" wheelbase
Chassis price, \$2200

The Autocar Company, Ardmore, Pa.

ESTABLISHED 1897

Branches in 46 Cities

Autocar

gas and electric trucks

EITHER OR BOTH - AS YOUR WORK REQUIRES